

## Extra £2,500m in Budget urged by TUC

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Captain Brian Greenwood with his wife (left) and daughter Julie after the Halcyon the Great berthed at Tilbury yesterday.

## Court Line tanker is arrested

The Halcyon the Great, Court Line's 227,000-ton tanker, which slipped past Canadian police boats at Newfoundland last month at the start of a dash across the Atlantic, was arrested shortly after docking at Tilbury yesterday.

Mr Patrick Gray, the Admiralty's Chief of Staff, said the ship's master, said "Everything we did in getting away was entirely legal and honourable. My obligations towards my crew is to look after their welfare and wellbeing and since the Court

Line crash the officers and crew have been very concerned about the welfare of their families and about getting the money they had worked for."

He said the crew's wages and his own had now been guaranteed and many of the 51 members of the crew would remain on board until she was sold. Captain Greenwood denied that the boat had sneaked away from the port of Come-by-Chance, Newfoundland, where he had discharged his cargo of oil. He said he had received customs clearance, but there were fears of the imminent arrest of the ship for allegedly not paying a \$300,000 fuel bill together with docking fees.

The writ against the vessel was issued in London in the Admiralty Courts by Bankers Trust International Ltd, who claim to hold three mortgages totalling more than £6m.

The £12m tanker nosed slowly up the Thames yesterday morning after mooring to a buoy in the estuary on Thursday night. Shortly before 10 am she had docked at Tilbury for degassing and tank cleaning, which are expected to take about 10 days.

Then she will be moved to the repair jetty of the London Docking Company, where she will remain until she is sold. Out of service, her maintenance and other costs amount to £30,000 a day.

Captain Greenwood, who has been master of the ship for six years, said he heard about a personal arrest warrant being taken out against him for unlawfully leaving a berth only when they were two days out of Newfoundland.

"I had been expecting the arrest of the ship at Tilbury," he added. "The Admiralty Marine's Officer just came up to see me and introduced himself and we had a little private discussion so that he could explain what he was going to do."

## Donor put £1,500 gift in bank for Mr Wilson

Two accounts were opened in Mr Wilson's name last year at the London branch of the International Credit Bank of Geneva, an official in the Prime Minister's office, said last night. All accounts at the bank have been temporarily frozen since October 9, when the bank asked the Swiss authorities for permission to declare a moratorium on payments due to creditors.

According to the official, the accounts were opened by a donor who wishes to remain anonymous and were intended solely to help with the running expenses of Mr Wilson's private office at that time, when he was still Leader of the Opposition. A sum of £1,450 was put on deposit and a further £50 in a current account; neither account has been touched.

The donor apparently had chosen the International Credit Bank because he was a close friend of Dr Handler, the managing director. "The choice was not Mr Wilson's", the official said.

There is nothing to prevent any British resident from opening a sterling account with one of the many overseas banks with branches in London. The same exchange control regulations apply to an account with a British bank and there is no question of the money being freely transferable abroad.

The International Credit Bank was founded in Geneva 15 years ago by Dr Tibor Rosenbaum, who owns 60 per cent of the equity. A further 36.4 per cent was owned until recently by the Hessische Landesbank, Göttingen, of Frankfurt, which withdrew last month.

After its request for a moratorium the Swiss Federal Banking Commission asked for an emergency audit of the bank's books.

## President Ford finds Mr Nixon 'alert' during hospital visit

President Ford today interrupted his political campaigning in the West to visit Mr Nixon in hospital at Long Beach, California. They spent 15 minutes together.

"He was very alert and very interested, but it was very obvious to me that he'd been very, very ill", Mr Ford said as he left. "He showed a great deal of strength. I told him that all our family was praying for his complete and total recovery."

The President said he briefed Mr Nixon in his plans for the trip to the near future to Japan, South Korea and the Soviet Union. He said he also informed him about Dr Kissinger's visits to the Soviet Union, India, Pakistan and Afghanistan.

Mr Ford telephoned Mrs Nixon yesterday to ask if he could make the visit, and she told him that she could not think of anything which would do her husband more good. She was at the hospital to greet him today with her daughters, Mrs Julie Eisenhower and Mrs Tricia Cox.

In the bulletin today, Mr Nixon's doctors said that the internal bleeding seemed to have stopped and that his health was improving steadily. They still could not issue a firm prognosis and his condition was still deemed "critical", but the doctors seemed more optimistic than they were yesterday.

Washington, Nov 1.—Several prominent American vascular surgeons have expressed surprise at the operation performed on Mr Nixon to prevent blood clots from reaching his heart and lungs.

The implied criticism of the placement of a clamp on a vein in Mr Nixon's left leg drew an angry rebuttal from officials at the Long Beach Memorial Hospital where the surgery was performed.

"I don't think one surgeon in a hundred would do it that way", said Dr John Keshishian of George Washington University medical school here. He declared that the operation performed on Mr Nixon had been discarded by the profession about 15 years ago.

"If all goes well with the former President, perhaps we'll all be doing it in the future", said Dr Edwin Ewen, chief of peripheral vascular surgery at the well-known Cleveland Clinic. "But I've never seen or heard of this before."

## Mr Heath to test rule change view

Mr Heath has no intention of accepting the deliberations of the Conservative 1972 Committee on Thursday evening as a signal for his departure. His first move is likely to be to consult the chief whip and the officers and executives of the party.

Mr Heath would certainly stand elected next Thursday in order to satisfy himself whether there is a truly widespread desire within the party for a revision of the rules for electing the leader.

If he did stand again it is most unlikely that Mr White, Mr Casley or other leading contenders would challenge him. For that reason, a new election could be to Mr Heath's tactical advantage.

At present there are broadly three sectors of opinion within the party: those who want him to stay on indefinitely, perhaps until the next election; those who want him to go but not yet; either because they fear too swift a departure would appear

unseemly or because they think the delay would improve the chances of their own favoured candidate; and those who believe his time is up and the quicker they decide is the better.

There are reasons why all three groups should wish to see the electoral rules revised. Mr Heath made a forceful speech to 300 West Wales party workers at Llanelli yesterday in which he said Conservative election warnings to voters were already beginning to come true (the Press Association reports).

He said: "We must be a united opposition to fight this Government on its policies, because the policies are wrong and are damaging and dividing the country."

Afterwards Mr Leslie Knipe, chairman of the Conservative Party Welsh Council, said to him: "The nation will turn to you for leadership. I am commanded by the chairman of the majority of the associations in Wales to pledge to you their utmost support."

## Mr Wilson's rebuke to three ministers a challenge to party, left wing says

There was a vigorous response from the Labour back benches yesterday to the rebuke delivered by the Prime Minister to three ministers, believed to be Mr Benn, Mrs Hart and Miss Lester, who had supported a national executive resolution criticizing the Government over the South African naval exercises.

Mr Norman Atkinson, a leading member of the Tribune group, said the letters challenged "the very base upon which our party is built". Some moderates felt that Mr Wilson had to make a stand but others questioned whether his sense of timing was sure in this instance, particularly as the party will in all probability have to be tolerant of the expression of very different opinions on the EEC in the months ahead.

Mr Sidney Bidwell, chairman of the Tribune group, said: "I hope this is not a second dog licence situation over again", referring to Mr Wilson's threat some years ago to deny official support at elections to rebellious members.

Mrs Renée Short made the same point, and both she and Mr Atkinson raised the question of the dual loyalty of ministers who were also members of the national executive.

"At present no fewer than 11 of the 28 members composing the executive are government ministers", Mr Atkinson said. "If the Wilson edict stands and is accepted, then clearly the movement can no longer elect ministers to its executive and still maintain the democratic nature of its extra-parliamentary leadership."

So, he added, for the election of the new executive later this month each nominee would have to be asked whether he accepted or rejected the doctrine. Unless there was a withdrawal of the Wilson qualification the matter would have to be voted on by conference. He hoped that the situation would not arise, for it would raise a leadership confrontation of the wrong kind.

Mr Short said that members of the NEC were elected for a specific purpose. "If that conflicts with ministerial duties is the Prime Minister saying they should not be ministers or not be the NEC? They have dual responsibilities, which makes it very difficult for them."

Mr Atkinson saw a further question at stake. "In my opinion the real issue behind the controversy is the Labour Party executive's vetting of the Common Market negotiations. Jim Callaghan personally is now firmly committed to guiding the talks towards keeping Britain in Europe."

## Tripartite body to study future of Herbert group

A tripartite consultative body comprising Government, management and union representatives is now considering the future of troubled Alfred Herbert Group, one of most important companies in Britain's machine tool industry.

Mr Anthony Wedgwood Benn, the Secretary of State for Industry, announced the formation of the body yesterday and said that it would be developing a long-term corporate strategy for the company.

Government plans to take a stake in the company through the National Enterprise Board and appears to have agreed to undertake borrowings of £2m.

## Boy loses £15,025

A boy seriously injured when struck by a car lost £15,025 damages in the Court of Appeal. The court found that the driver had not been negligent in driving 30 mph and failing to sound his horn in a built-up area. The case is going to the House of Lords.

## S bank cuts prime rate

First National City Bank has cut its lending rate by 1 per cent to 10 1/2 per cent, effective Monday.

## Farmer pickets arrested

Mr Wilson has asked for fuller reports on the actions taken by British farmers against imports of Irish beef and cattle, it was disclosed yesterday, after he had met Mr Cosgrave, the Eire Prime Minister.

A thousand protesting farmers clashed with the police at Fishguard harbour, Dyfed, yesterday.

Ralph Reader, secret agent: Mr Ralph Reader says he used his Gang Shows as a cover while an intelligence agent during the war.

Strike goes on: Glasgow transport workers yesterday rejected their shop stewards' recommendation on a pay offer and voted to continue their stoppage.

Education: Sir Keith Joseph gives a warning of a dangerous regression towards substantial illiteracy.

Greek treason trial: Former President Papadopoulos, his "inner junta" and 36 Army officers are to be prosecuted on charges of high treason for the 1967 military coup.

Rome: Italian authorities assure public of Army's loyalty after arrest of General Miceli on charges of plotting coup d'etat.

## Action promised this session over pay beds

Action would be taken in this session of Parliament on the phasing out of private pay beds within the National Health Service, Mrs Castle, Secretary of State for Social Services, said in the Commons yesterday.

A joint working party was looking at the future of consultants' contracts in the context of phasing out pay beds.

Dr Derek Stevenson, secretary of the British Medical Association, said yesterday that if Mrs Castle had already made up her mind, as her statement in the Commons suggested, it made a nonsense of the working party discussions.

Mrs Castle's statement amounts to a unilateral decision before the working party has reported and amounts to a serious threat to the individual's freedom of choice, he said.

## Sugar trade believes supply from reserves has ended

Orders for sugar from government reserves are being refused, trade sources said yesterday. Supplies are being distributed under orders still outstanding, but when this is complete the reserves will be closed. This news came as Mr Peter Heath, Minister of Agriculture, said in a Commons written reply that supplies were adequate for the rest of the year.

Mr Desmond Parris, chairman of the Retail Food Confederation, which represents independent traders, said: "It is still being issued, but only on orders up to a certain date, and that date was a long time ago."

Mr Wolfgang Heintz, managing director of the A & O International wholesale group, said that on Thursday an important wholesaler reported that he had been told by Tate and Lyle that hundredweight bags of ministry reserve sugar were no longer available.

In recent months wholesalers had been in desperate straits and at best received 60 to 70 per cent of their needs, he added.

Tate and Lyle would not comment, but it became clear from sources in the industry that Mr Parris was right. The ministry, which last month said it was still distributing sugar reserves, said yesterday that it could not now discuss reserves.

Mr Parris told Mr Peter Blaker (Con, Blackpool, South) that the total amount of sugar moving into distribution in the year ended September 30 was greater than in the previous 12 months.

## Algeria twenty years on

Today The Times concludes its Special Report on Algeria.

In the twenty years since her revolution, Algeria has become not only one of the most developed of the African nations, but has also extended her influence throughout the Mediterranean.

The second half of the Special Report in today's Times discusses the environmental and socio-economic problems still facing Algeria despite her rapid growth in recent years.

How is the socialist government redressing the imbalance between the super-rich and the very poor? What are Algeria's foreign policies regarding her two main exports, gas and oil?

This important Special Report discusses these questions and many other aspects of present day Algeria.

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HOME NEWS

Bitter argument breaks out over policing of Ulster after a 'blackmail' charge by SDLP

From Christopher Walker Belfast
At a time of a new and disturbing upsurge of sectarian violence in Ulster, a bitter public argument has broken out over the crucial question of policing in the province.

issued in all politicians, Mr John Carson, the official Unionist MP for North Belfast, said: "No long-suffering RUC officer should be forced to guard any man who has so little respect for his honourable calling."

policing which are separate from full-scale discussions about the political future of Ulster. Another hint in the Maze prison at Long Kesh has been destroyed by fire, and during a follow-up operation yesterday soldiers and prison officers discovered drugs and a formidable arsenal of makeshift weapons hidden in two loyalist compounds.

Scots Tories' inquiry into election failure

From Ronald Faux Edinburgh
Scottish Conservative Party officials and candidates met yesterday in Edinburgh in an attempt to pinpoint the reasons for the party's failure at the general election and to discuss the mass defections of Tories to the Scottish National Party.

ing party organization and how they are presenting policies. The election result was regarded as particularly serious because the party's main defectors were in areas that the party regarded as strongholds.

MPs react strongly to Wilson rebuke

Continued from page 1
Minister's rebuke to the ministers was a matter for regret. Ireland has invited elected representatives from all parties to visit the camp next week and inspect the repair works.

Nottinghamshire pit chiefs back productivity deal

By Our Labour Staff
Leaders of 33,000 Nottinghamshire miners yesterday defied their national executive and decided to recommend acceptance of the National Coal Board's productivity scheme which it is put to a ballot.

increase in our basic rates of pay. HS 146 Pessimism: Nine Labour MPs who had talks with Mr Wedgwood Benn, Secretary of State for Industry, yesterday about the Hawker Siddeley decision to cancel the HS 146 jet aircraft, came away from the meeting with "no ground for optimism."

Secret agent Ralph Reader says goodbye

By David Leigh
Ralph Reader, leader of the Scouts' Gang Shows, who takes his retirement bow at the last show in London tonight, revealed yesterday that he worked for British Intelligence during the Second World War.

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Fine quality in autumn flower show

By Our Horticultural Correspondent
Superb quality is the keynote of the National Chrysanthemum Society's late show in the Royal Horticultural Society's hall at Westminster.

Navy inquiry into fire on new warship

From a Staff Reporter Cardiff
Fire caused extensive damage on board the new guided-missile destroyer Bristol, 5,650 tons, while it was at anchor in Milford Haven early yesterday.

Farmer pickets arrested in clash

Two farmers were arrested yesterday when scuffles broke out between the police and about 1,000 farmers picketing Fishguard harbour, Dyfed.

Frozen meat traders accused of cheating

From A Staff Reporter Birmingham
People who buy meat in their home freezers are getting a fair deal, the Summer Protection department West Midlands County Council said yesterday.

Police may get aid on bombs

Mr Jenkins, Home Secretary yesterday that he considers "very serious indeed" any request by the more powers to deal those who plant bombs.

Debt collecting measures are stepped up

By Patricia Tisdall
Tougher measures to collect debts are being introduced by Britain's largest credit management organization, British Debt Services, which is setting up a regular weekly national door-to-door collection service.

Health authority denies 'cover-up' of deaths

From Arthur Osmao Birmingham
The West Midlands Health Authority yesterday denied an MP's allegation that a "cover-up" had taken place over the deaths of four heart patients in a Birmingham hospital.

Burns inquiry called off

Police at Corby, Northamptonshire, called off a search for youths said to have attacked two boys aged eight by pouring paraffin over them and setting them alight.

Opera house approved

From Our Correspondent Edinburgh
The Royal Fine Art Commission for Scotland has approved Edinburgh corporation's revised outline design for the city's opera house, although the commission still thinks that the site is too small.

Middle East buyer lightens sale gloom

By Geraldine Norman Sale Room London
A light was provided amid the enveloping gloom at Christie's sale of nineteenth-century Continental paintings yesterday by Mr H. Obeid, of Beirut.

Council group opposed to director's going

The Conservative group on Nottinghamshire County Council decided yesterday to dissociate themselves from the council's termination of the employment of Mr Henry Waring, the director of administration.

Sir Robert Mark

Sir Robert Mark, Commissioner of the Metropolitan Police, has challenged basic assumptions of English law, worried his former and outraged the legal Establishment.

Under the new scheme, representatives will call on debtors every week to collect a regular sum until the full amount has been paid. Mr John Bentham, chairman of BDS, said: "We are making it both easier and harder for debtors. If they are willing to pay we will make it as easy as possible for them by calling on them to collect the money. If they are not prepared to pay, they will face bankruptcy, the ultimate sanction. The choice is theirs."

He asked for a full report into the death last May of Mr Christopher Boyne, aged 33, in the city's Dudley Road Hospital. Mr Boyne and the three other deaths were first reported at the meeting of the British Medical Association at Hull in July.

Weather forecast and recordings

Table with weather forecasts for 'Today' and 'Tomorrow', including sun/moon rises and sets, and a 'WEATHER REPORTS YESTERDAY' table with columns for various cities and weather conditions.

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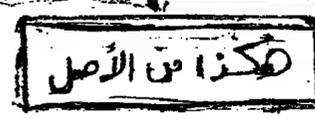
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HOME NEWS

Transport workers rebuff their top stewards and vote to continue Glasgow stoppage

By a Staff Reporter
The unofficial strike by 3,200 Glasgow and underground workers is to continue even if the shop stewards negotiating committee recommended a return to work for an extra £3 a week...

Union. They were not prepared to negotiate with any other group. The executive's offer is to be left open before the union. It would add £1.2m to the annual wage bill and lead to fare rises...

offering an interim increase, possibly by the end of December. The Government were not, however, saying what that increase would be, and were not guaranteeing that it could be in teachers' hands by the end of December...

In brief

Duchess to leave hospital

The Duchess of Gloucester is expected to leave St Mary's Hospital, Paddington, tomorrow after the premature birth of her son there on Thursday last week.

Reduced in rank

Chief Inspector John Ballard, aged 48, in charge of the Buckingham sub-division of Thames Valley Police, has been reduced to the rank of police constable...

Shop murder charge

Ronald Wood, aged 23, a painter, was charged with the murder of Miss Mona Dhill, aged 75, who was found dead at her shop in Melwood Grove a week ago.

Arsonist jailed

John Hall, aged 24, a labourer, who started a fire at a Hull chemical works, causing £450,000 damage, was sentenced at Leeds Crown Court yesterday to three years' imprisonment.

No action on Tory leak

No prosecutions will follow police inquiries into the leakage of the Conservative Party manifesto before the general election...

Lord Olyvier improves

Lord Olyvier, aged 67, in hospital in Brighton with myositis, an inflammation of the facial muscles, was responding well to treatment yesterday, his doctor said.

Troops at Heathrow

Troops moved into Heathrow Airport yesterday within hours of the Metropolitan Police taking over airport security.

New uniform scrapped

British Airways' new uniform for stewardesses, designed by Hardy Amies, has been abandoned after cabin crew protested that it would make them look "frumpy" and "dowdy".

Flats strengthened

Workers are strengthening 117 new flats in Northampton after the discovery that they have been built with high alumina cement. Only six of the flats are occupied.

Coach crash injuries

Eight people were taken to hospital injured after their coach, travelling from London to Liverpool, crashed on the A40 near Thame, Oxfordshire, yesterday.

Brighton bus strike

Half of Brighton's buses failed to run yesterday because of a one-day walkout by 140 men protesting about pay and conditions.

Alleged offer by Crown in police chief case

A Chinese policeman was offered a deal to incriminate Peter Godber, the former Hong Kong police chief, Mr David Gunston, Mr Godber's Hong Kong solicitor, said at Old Street Magistrates' Court, London, yesterday.

Jail for PC who 'cooked' blood sample

Police Constable John Hadlow, aged 54, of Church Road, Worlington, near Mildenhall, Suffolk, who was said to have 'cooked' a blood sample in a police station oven so that it could not be analysed, was jailed at Ipswich Crown Court on Thursday for 12 months.

Postal and Weekend Shopping

ALSO ON PAGE 22

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Union joins employers attack on strike play

Leading trade unionists yesterday joined their managers in attacking a play shown on BBC television on Thursday depicting a three-week unofficial strike in 1970 that cost 30,000 women clothing in Leeds.

Illiteracy warning by Sir Keith Joseph

By our Education Correspondent A warning that the country is facing a dangerous regression towards substantial illiteracy is given by Sir Keith Joseph, shadow Home Secretary, writing in The Times Educational Supplement published yesterday.

Mrs Castle renews attack on population speech

By Hugh Noyes Parliamentary Correspondent Westminster Mrs Castle, Secretary of State for Social Services, yesterday renewed her remorseless pursuit of Sir Keith Joseph over his warnings in a speech in Birmingham last month about a threat "to our human stock" as a result of the high proportion of births to single-parent households.

Hotel strike ends

Waiters, porters and chambermaids ended a 48-hour strike at a big London hotel yesterday, but still intend to press for all £2-a-week threshold rise.

Judge and M62 case 'confession'

He said: "There, on these two days, were two statements involving nobody else, no other person by name, but two statements which amounted to a complete confession of her involvement in the three matters of causing explosions. She says now that what she said was not true and that it was done to get the police off her back." He told the jury they were entitled to consider whether there was any possible reason for making the statements other than to tell the truth to ease "the weight of conscience".

Shop murder charge

Ronald Wood, aged 23, a painter, was charged with the murder of Miss Mona Dhill, aged 75, who was found dead at her shop in Melwood Grove a week ago.

Arsonist jailed

John Hall, aged 24, a labourer, who started a fire at a Hull chemical works, causing £450,000 damage, was sentenced at Leeds Crown Court yesterday to three years' imprisonment.

No action on Tory leak

No prosecutions will follow police inquiries into the leakage of the Conservative Party manifesto before the general election...

Lord Olyvier improves

Lord Olyvier, aged 67, in hospital in Brighton with myositis, an inflammation of the facial muscles, was responding well to treatment yesterday, his doctor said.

Troops at Heathrow

Troops moved into Heathrow Airport yesterday within hours of the Metropolitan Police taking over airport security.

New uniform scrapped

British Airways' new uniform for stewardesses, designed by Hardy Amies, has been abandoned after cabin crew protested that it would make them look "frumpy" and "dowdy".

Flats strengthened

Workers are strengthening 117 new flats in Northampton after the discovery that they have been built with high alumina cement. Only six of the flats are occupied.

Coach crash injuries

Eight people were taken to hospital injured after their coach, travelling from London to Liverpool, crashed on the A40 near Thame, Oxfordshire, yesterday.

Brighton bus strike

Half of Brighton's buses failed to run yesterday because of a one-day walkout by 140 men protesting about pay and conditions.

Alleged offer by Crown in police chief case

A Chinese policeman was offered a deal to incriminate Peter Godber, the former Hong Kong police chief, Mr David Gunston, Mr Godber's Hong Kong solicitor, said at Old Street Magistrates' Court, London, yesterday.

Illiteracy warning by Sir Keith Joseph

By our Education Correspondent A warning that the country is facing a dangerous regression towards substantial illiteracy is given by Sir Keith Joseph, shadow Home Secretary, writing in The Times Educational Supplement published yesterday.

Mrs Castle renews attack on population speech

By Hugh Noyes Parliamentary Correspondent Westminster Mrs Castle, Secretary of State for Social Services, yesterday renewed her remorseless pursuit of Sir Keith Joseph over his warnings in a speech in Birmingham last month about a threat "to our human stock" as a result of the high proportion of births to single-parent households.

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SENSATIONAL NEW HIGH SPEED ELECTRIC CRASER

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WEST EUROPE/OVERSEAS

Italians assured of Army loyalty after general's arrest on charge of plotting coup d'état

From Patricia Clough Rome, Nov 1. Italian authorities hastened today to lay emphasis on the loyalty of the Army as a whole...

in a state of "psychoemotive reactive shock". General Miceli had foreseen Sicilian railway worker's son...

established and "the lack of this certainty is a danger", the newspaper added. Amid the spreading coup psychosis...



General Miceli: Railway worker's son with a brilliant record in the Bersaglieri.



General Alexander Haig, the former chief of White House staff, arriving in Stuttgart yesterday to take command of United States forces in Europe from General Andrew Goodpaster.

Israel troops blow up two houses in Lebanon

From Moshe Brilman Tel Aviv, Nov 1. Israel raiders thrust a mile across the Lebanese border last night and blew up two houses in Beida village...

New doors opened by Schmidt trip to Russia

From Dan van der Vat Bonn, Nov 1. Herr Schmidt, the West German Chancellor, is to brief leaders of all parliamentary parties...

Brezhnev desire to judge US leader's calibre

From Edmund Stevens Moscow, Nov 1. Plans proceed for the meeting between President Ford and Mr Brezhnev...

Mr Papadopoulos to face treason prosecution

From Mario Modiano Athens, Nov 1. The Athens council of appeal judges today ordered the prosecution of former President Papadopoulos...

President Thieu fights for his political life

Saigon, Nov 1.—President Thieu today placed his political life and promised to fight Government corruption...

In brief

Money of Nazi victims shared. Berné, Nov 1.—A parliamentary commission today re...

Three Britons hurt in Oman

Salalah, Oman, Nov 1.—Three Britons were injured when an Oman Air Force helicopter carrying nine people crashed...

Mr Ford campaigns with one eye on 1976 election

From Patrick Brogan Washington, Nov 1. President Ford will conclude his campaign for the congressional elections this evening...

200 typhoid victims

Stuttgart, Nov 1.—A 200 people have caught typhoid fever in a week-old epidemic...

Banning order extended

From Michael Knipe Cape Town, Nov 1. A South African Asian suffering from the severest house arrest restrictions imposed by the Government...

Concorde avoids light aircraft

A Concorde supersonic airliner took evasive action to avoid a light aircraft during a take-off seven days ago in South America...

California's politics of arousal

From Fred Emery Oakland, California, Nov 1. A black politician intones with mock solemnity "in the name of the father, and of the son..."

Abortion rejected

Oslo, Nov 1.—The Norwegian Parliament defeated by no proposal for abortions...

Police chief killed

Buenos Aires, Nov 1. An explosion killed the Argentine federal police commissaire...

Journalist loses case

Sydney, Nov 1.—W. Burchett, a freelance journalist, today lost a court case against the police...

EEC socialists to draw up common policy

The Hague, Nov 1.—Socialist leaders from all the European Community Countries agreed today that their parties should have a joint programme...

Soames call for 'mammoth explanation'

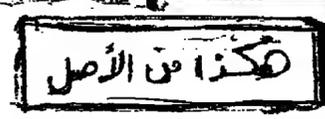
Continued from page 1. adventure, that had been the hallmark of the British people...

US milk industry men jailed over election funds

Washington, Nov 1.—Two former leaders of the biggest dairy cooperative in the United States were sentenced to jail for making illegal election campaign donations...

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PARLIAMENT, November 1, 1974

# Mrs Castle promises action this session to phase out private pay beds from health service hospitals

...of Commons  
 ...RS CASTLE, Secretary of State for Social Services (Lab.), said that, as the hon. Member pointed out, the contract was among other things a means of promoting social and economic justice. Social justice should be about the quality of life. It was about the relief of poverty but poverty was not lack of money. It was about the provision of being left out, being labelled second class. Social contract was the least realistic document the trade union movement had ever produced.

...to the Labour Party the over-riding purpose of social policy was to build a cohesive society. They would never unite creating two standards in prices, two standards in education, social services or health care. That was why the Government was committed to phasing out private pay beds from the health service and would act on this session. It was wrong to say that those who had money should be able to jump the queue and it was wrong to have two standards of care for two classes of patient. He turned to the speech made by Sir Keith Joseph (Leeds, North-East) in Birmingham because he had intended it to be a carefully considered statement of his policy.

...that speech (she said) alienated the divisions in the party. It did so by its general philosophy and it did so, above all, by importing into the argument a crude analysis of the facts of statistics. Sir Keith Joseph is not understood and had not been proved wrong and she was essential to get the facts right and on the record. It

was no use arguing, as Sir Keith had done, that it was generally said specifically in support of his general thesis was wrong.

He had spoken about the degeneration of society, delinquency, truancy, vandalism, matters which concerned everyone, and then injected into his plea for the remoralization of society the emotive genetic argument that the human stock was threatened. Why was it threatened? Because, he had said, "A high and rising proportion of children are being born to mothers less fitted to bring children into the world and bring them up. They are born to mothers who were first pregnant in adolescence in social classes 4 and 5. Yet these mothers, the underclass, many of them single parents, from classes 4 and 5 are now producing a third of all births."

That statement (she said) was not true. Taking the Scottish figures which Sir Keith had quoted, the proportion of all births to single mothers in classes 4 and 5 was not a third, but less than 4 per cent.

Sir Keith had issued a statement in which he asserted that 35 per cent of the next generation would be born to poor teenagers, a high proportion of whom would be unmarried, deserted or divorced. This was a totally false statement. Even assuming that the whole of classes 4 and 5 in Scotland were poor, which was clearly absurd, the proportion of births to poor teenagers was not 35 per cent but less than 5 per cent and the proportion that was also illegitimate was only a further 1 per cent.

Sir Keith then tried to explain himself in a letter to *The Times* in which he made the point by now that the proportion of births in classes 4 and 5 occurred for lack of birth

control to unmarried or otherwise single-parent households. The Scottish figures showed that less than 4 per cent of class 4 and 5 births were illegitimate births to teenage mothers.

It was Sir Keith who had imported the reference to "social classes 4 and 5" into the argument in a way that the article in *Poseur* had quoted did not state. His class slip was showing. He had said (she said) frankly and fairly to admit that the figures on which he based his argument were wrong. We must get the facts on record. What he has done, intentionally or not, is to highlight class prejudice and class bitterness, and the flood of letters he says he has had in support only prove that point. He has left a widespread impression that it is illegitimate children and class bitterness, and the flood of letters he says he has had in support only prove that point. He has left a widespread impression that it is illegitimate children and class bitterness, and the flood of letters he says he has had in support only prove that point.

Sir Keith had weakened the national will to attack the evils of deprivation and poverty. Most unfortunate of all, he had deliberately propagated the lie that socialism was synonymous with permissiveness. If this was to be the legal argument with which the Conservatives would restore their shattered fortunes he hoped they would at least have the decency to drop all their soggy sermons about national delinquency.

The Government said in the Queen's Speech that they attached major importance to a general improvement in social security benefits. There would be another priority. They were bound by law to increase benefits by next July, but they had always said that they would consider the possibility of cost-cutting in the light of pensioners' needs and they would be announcing the details in due course. This year they would be extending the Christmas bonus to one

million more hard-bitten people: invalidity pensioners, those on attendance and widows' benefits and industrial injury or war pensioners who were so sick that they were incapable of work.

Pensioners would get cheap this winter. In keeping with their dislike of means-tested benefits the Government would see that the cheap beef went to all pensioners and not merely to supplementary pensioners.

In the area of family support, too, it was essential to reduce the role of means testing. The family incomes supplement had been an ill-conceived idea. It had not worked, not only because take-up had only been 50 per cent, but because it polarized society by widening the poverty trap. To be poor was bad enough, but to know there was no escape was even worse. Under this scheme every £1 of extra earnings meant a loss of £1 of benefit.

It was to reduce the role of FIS that the Government were committed to increase family allowances and to introduce a new scheme of child allowances which would extend help to the first child. The speech referred to the increase in family allowances and FIS would not have to wait much longer for the details.

The child allowance scheme involving some 14 million children including about seven million children who were not eligible for family allowance now, would take more time.

The Government would present proposals to Parliament which would introduce a non-contributory universal child benefit for some 230,000 disabled people of working age who had never been able to work or therefore to contribute under the insurance scheme. This new benefit would begin to be paid in 1975.

The Government would be introducing their invalid care allowance, designed to help those who were not disabled themselves but had to stay at home to look after a disabled relative. They would be proceeding towards their mobility allowance, which they would begin to phase in next year.

A crucial part of their developing plan for reducing the role of means testing in society was their long-term pension proposals. The whole House wanted to find a way of taking pensioners out of politics. By their discussions they might be able to forge lasting legislation that would at last achieve this aim.

There is a core of principle in our proposals she said, on what the Government cannot compromise—such things as the earnings-related basis of benefits, equal treatment of women, reliance on final salary schemes in the contracting-out proposals—but in the White Paper and in the consultative document we have laid out a range of matters we are specifically leaving open for consultation.

As well as these specific points the Government were prepared to consider any other matters which might be put to them and which did not undermine the fundamental principles of the Bill they aimed to introduce early next year with a view to getting Royal Assent by the summer.

By way of preparation the Government were willing to consider any points the parties opposite would like to point out. She had asked the Government Actuary to prepare a factual memorandum giving the criteria and technical basis on which to assess the actuarial elements before the Government took decisions on these points. It would be sent to all those organizations which had received the consultative document.

# Wrong approach—Sir G Howe

...IR GEOFFREY HOWE, Opposition spokesman on social services (Con), said the tragedy of socialization was that it was often well-intentioned, all too often it was divisive because it was based on envy (Labour proposal). All too often it was ineffective because it was not able to address the proper order of priorities.

While welcoming the Christmas and the prospect of a child's Bill, the strategy in family allowances was wrong and should be founded on the development of a tax credit scheme. They also regretted the change in the pension scheme, which the Opposition would seek to tidy some serious omissions, including the absence of any stated concern about the increasingly serious problem of juvenile crime and the inadequate provision for children who became involved.

The approach of the Government private practice in the last one-headed, unstruck and destructive. He regretted the Secretary State's attack on FIS; the level take-up was higher in relation to those in the greatest need. The Government had wrongly projected a tax credit scheme. The Opposition wanted to end means testing, as far as possible, and that scheme, if properly developed, would be the way of doing that.

Good subsidies were beginning to run out of their effectiveness, by about 25 per cent of the subsidies would be cut in a week. He was concerned that nothing said in the speech about the needs of children and young people in trouble. He was concerned with those who got into difficulty with the law and stood in need of care and treatment and to mend discipline and security.

...venue crime

It was time for Mrs Castle and her partners to admit that they were in trouble. He was concerned at the volume of juvenile crime and the absence of any plan for appraising and improving the position.

He was concerned with this fact as much, if not more, for the sake of the children as for the sake of the community. He wanted more of these children to get into this trouble were encouraged by the default of discipline and crime.

Delay in finding accommodation for child offenders had risen from 6 months to six months and in longer. The Government must be committed meantime. This had caused a rise in the number of sentences and magistrates despair at being compelled to

commit to Borstal. There was uncertainty among social workers about their role and breakdown of the system. The Government had not shown a sense of priority.

Mrs Castle's decision to scrap a good pension scheme was deplorable. It had retarded for at least three years provision for millions who had to soldier on without prospect of any second pension. The burden of contributions falling on children and grandchildren would rise.

The Government should consider having their legislation, after second reading, considered by a select committee of the House which could take evidence.

...Misconceived

The Opposition deplored the Government's attitude to private practice in the last one-headed, unstruck and destructive. He regretted the Secretary State's attack on FIS; the level take-up was higher in relation to those in the greatest need. The Government had wrongly projected a tax credit scheme. The Opposition wanted to end means testing, as far as possible, and that scheme, if properly developed, would be the way of doing that.

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either greater intervention in the affairs of building societies or by breaking up the industry into private ownership. The most urgent need was for an inquiry into the whole system by which money was lent to house building.

...MR PENHALIGON (Truro, L) in the Queen's Speech had said that the Government would one day be convinced of the idea of a national minimum wage. Nothing could do more to help areas of unemployment which were represented. It was time that there was a radical reform of the whole social security system which was far too complicated.

...MR RENE SHORT (Wolverhampton, North-East, Lab.) said that the Government had promised to fight the continuation of pay beds, was necessary to point out to the hon. Member that they were not in the profession and they were employed in NHS hospitals. They owed their training to the taxpayer. They were going to separate themselves from the rest of the profession that they might be expected to pay back to society something of what they had received from it should be looked at.

...MR LUCE (Shoreham, C) said there were nearly nine million retired people in this country, something like one-sixth of the population. Many people spent up to a third of their life in retirement. Some enjoyed the twilight years; others passed them in misery.

The Government should make a fresh and concerned examination of the problems and variety of needs of retired people. There were those who needed considerable assistance from the state and others who were eager to be active and receive rewards for being active.

...MR WATKINSON (West Gloucester, Lab.) in a maiden speech, said that was a grave national housing crisis. Britain was spending proportionately less on housing than 20 years ago and had one of the worst housing records in Europe. The country needed extension and expansion of house building in both public and private sectors.

Because of the grave shortage, the Government could not countenance the sale of council houses. If house building was to be extended, there had to be improvement in the house building industry. If there was an industry which cried out for some form of planning agreement between itself and the Government, it was the construction industry.

# Indonesian navy negotiates for British ships

...Mr Frank Allaun (Salford, East, Lab.) asked the Secretary of State for Foreign and Commonwealth Affairs how many warships he intends to permit to be sold to the Government of Indonesia; whether an order has been placed; and where the ships are to be built.

...MR DAVID ENNALS, Minister of State, in a written reply, said the Indonesian Navy invited tenders from British firms for the supply of four corvettes. Negotiations are still in train; if a British shipbuilder is successful in securing a firm contract, it is the Government's intention to let this order go ahead.

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# Iron hand needed at Home Office

...MR CORLIE (Bournemouth, C) said that in the 12 months he had been a Member of the House of Commons, he had enjoyed for centuries. No longer could British people boast proudly that they could not be taken unarmaged and un-molested. The British were becoming a sick society, a society of power to punish the wicked, malicious in order to deter.

He believed he was voicing the feelings of many of his constituents when he said that the restoration of the death penalty for offences such as inhumanity, murder of police officers and prison officers and civil servants, and for men. We want liberation, not for men. We want liberation, not for men. We want liberation, not for men.

...MR LITTERICK (Birmingham, Selly Oak, Lab.), in a maiden speech, said that the nation's housing performance was deplorable.

There was a waiting list in Birmingham of 31,000 families and only 2,000 houses might be built this year to satisfy that list. That was the arithmetic of despair. The list would get longer and the despair more profound.

...Pressure

...MR RAISON (Aylesbury, C), winding up for the Opposition, said they broadly accepted the Government's proposals on disability income as realistic and sensible.

All the indications were that there was tremendous pressure to increase available resources. Were the additional resources to come from the welfare or other forms of revenue? Had there been a change in the Government's view on prescription charges?

The Government had made a vindictive mistake over the small tax credit scheme which in the end category who would be hit hard by this were the doctors themselves. There was a grave long-term folly in the rejection of the tax credit scheme which in the end category who would be hit hard by this were the doctors themselves. There was a grave long-term folly in the rejection of the tax credit scheme which in the end category who would be hit hard by this were the doctors themselves.

The Government were open to

All the urban centres were likely to be overcrowded in 12 months with the bitter choice of increasing rents or adding further to the burden of the ratepayers.

If the Government were to fulfil the promise to provide more homes to let in the areas where they were most needed, there would have to be much more dramatic help for the hard-pressed inner city areas.

...MRS COLQUHOUN (Northampton, North, Lab.) said there was a crisis in respect about pensions because women received them at 60 and men at 65.

In a liberated society (she said) we do not want only liberation for women, but for men. We want liberation, not for men. We want liberation, not for men.

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The Government were open to

criticism in the confusion they had shown on the subject of health service finance and their erratic approach to questions about charges and so on. Perhaps worse of all, the Secretary of State had by his actions allowed bitterness to grow up in the NHS between one section and another.

...Fundamental

...DR OWEN, Under Secretary of State for Health (Plymouth, Devonport, Lab.) said housing was of fundamental importance to any serious attack on poverty.

On the Social Security Amendment Bill, the Government were not introducing any new principle into the creation of self-employed. The principles in the Bill were exactly the same as those in the 1973 Social Security Act. Because they were going to receive higher benefits the self-employed, like the employed, were being asked to pay higher contributions.

The Secretary of State was willing to consider any suggestions on the most effective way to proceed on this matter. When the Opposition spokesman had considered the matter further with his party, he should let Mrs Castle know on what points they wanted further preliminary exploration and how best they could help.

On the Children and Young Persons Act, concern about its working was fully shared by the Government; but the House should not make the Act an escape from the responsibility of successive governments of putting resources into this area. The Government were restoring the 1.5m cuts in the community home programme in December 1973.

The Government must consult on health service democracy, for a little longer before producing proposals. People in the service wanted the greater devolution downwards. Devolution and democracy were inextricably linked.

For the NHS to function effectively, particularly in the present economic conditions, confidence and unity of purpose must be restored throughout the service.

The debate was adjourned. House adjourned, 4.23 pm.

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Family Circle's great competition about slimming has prizes worth over £3,000! From a luxurious motor caravan—to a week for six on the Norfolk Broads!



**Get November's Family Circle and Living.**  
 At your local foodstore—now!

# Peter Fleming's Brazilian Adventure

by Duff Hart-Davis

In 1932 Peter Fleming was 25. After a brilliant academic career at Eton and Oxford (where he got a First in English) he was working as Literary Editor of *The Spectator*; but he was looking for adventure. This is the story of the first of the journeys that made him famous.

In 1932 *The Times* carried nothing so mundane as news on its front page; the paper's face was given entirely to advertisements, and of these by far the most celebrated was the collection of personal wants, offers and *cris de coeur* known as the Agony Column. As Peter often remarked, he made a practice of reading the Agony Column first, greatly preferring its stimulating eccentricities to the stodgy fare of the editorial pages; and one morning in April his eye was taken by an announcement just far-fetched enough to appeal to him:

Exploring and sporting expedition, under experienced guidance, leaving England June in explore rivers Central Brazil, if possible ascertain rare Colonel Fawcett; abundant game, big and small; exceptional fishing; room two mosquitos; highest references expected and given.—Write Box X, *The Times*, E.C.4.

Within a few days he had signed on; but the advertisement had attracted many suitable answers, for Peter himself at once began searching for a way to fill the second vacant place—mostly by the simple expedient of going up to people he knew, or wherever he chanced to see them, and saying: "Come to Brazil." It was thus that he enrolled Roger Petward, a tall, gangling, red-haired artist, with a drawl nearly as pronounced as his own.

Petward joined as a survivor—a capacity in which he had already done some work. With him on the expedition, considerably encouraged, for until then he had not been greatly impressed by the team's professional qualifications. The organizer was Robert Churchward, who had (according to Peter) "the most tremendous difficulty in distinguishing between the real and the ideal."

The other members were Norman Skiffington-Smyth (another survivor), Arthur Humphreys (a mechanic), and two who could lay claim to no title save the general one of "explorer"—Blunt Mackenzie and Neville Priestley, Neville was the only other one whom Peter already knew—a third Old Etonian, big, blood and choleric, who had in fact done more exploring than the rest of them put together; on this occasion he already had plans for collecting animals for zoos from South America, and he travelled out to Brazil on his own. Each member of the expedition except Churchward (whose financial contribution was said to be already "considerable") paid £400 into a central fund; and although Churchward was the official leader, he would, he said, be assisted in Brazil by one Captain J. G. Holman, a British resident of São Paulo with allegedly unsurpassed experience of the interior.

Churchward, though disorganized, was by no means unaware of the value of good publicity, and he approached Robin Barrington-Ward, who was then an assistant editor on *The Times*. As a result Peter was appointed the paper's Special Correspondent (unpaid) covering the British Mato Grosso Expedition—the first of many occasions on which he travelled as a special representative of *Prinings House Square*.

The plan, such as it was, ran as follows: from Rio they would go up-country by road and rail, via São Paulo, to a small town called Leopoldina. There they would embark on the Araguaya, an immense river that flows almost due north for 1,500 miles until it debouches into the delta of the Amazon. Having descended the Araguaya for some 300 miles, they would turn left (south-west) up one of its tributaries, the Rio das Mortes, establish a base-camp on its headwaters, and from there make an overland trek into the area where Fawcett was thought to have disappeared.

Several such areas suggested themselves, for many different accounts of Fawcett's demise had been put forward; but the one they chose was the area pinpointed by a former officer of the Royal Navy, George Dyott, who had led a well-equipped American search for Fawcett in 1928 and had, he thought, come within a few days' march of the spot on which the colonel, his son Jack and their other young companion had been massacred by Indians.

In the middle of making his preparations Peter signed a contract for a book which Jonathan Cape, Cepe, with characteristic caution, offered no advance until such time as the manuscript should be com-

plete; the Peter would get £150, with a further £150 to follow when the book was published.

Peter's preparations were, as he himself said, "grossly unprofessional, to put it mildly", as were those of the rest of the party. All the same, an article by him setting out the expedition's objectives, which *The Times* published on June 17th gave the whole project a spurious importance, and it was with the highest hopes that he went to Tilbury on June 18th 1932 and embarked on the SS *Andalusia Star*: the start of a venture for which, as he himself later put it in *Conquest*, Baggard might have written the plot and Conrad designed the scenery.

The voyage to Rio bored him, but as they drew close to South America he wrote in high spirits of his friend Rupert Har-Davis: "This voyage is said by some to be nearing its end. As for me, I have lost all count of time. So has the Royal Geographical Society's Patent, air-tight, unbreakable, snake-proof, non-corrosive, depends. Guaranteed never to swerve to its loyalty in Greenwich by so much as a second-hand's back one hour and fifty minutes into the past. . . . Petward and I have tried boiling it, dunking it along the deck, holding it up so that it can see the flying fish, putting it in a bucket of water, dipping it in gin, leading it to a Brazilian political exile, shouting at it, jomping on it from behind the bulkheads, and praying for it. But it is no good. None of the orthodox remedies seem to work."

They reached Rio at sunset on the evening of July 3rd, to be met by a rush of photographers and their flash-lights. Peter described as "a tall, thin man of about forty, with a ragged moustache and phenomenally small ears", with "something of the camel in his gait" and "short, mouse-coloured hair". His appearance, he said, was "in no sense attractive". Their aim was to leave at once for São Paulo, but in this they were frustrated by the customs officers, who argued about the expedition's baggage for six days—a dispute caused largely by the prodigious number of weapons, from sawn-off shotguns to revolvers, that had been considered necessary for survival. (Fortunately their large consignment of tear-gas bombs had been thrown overboard shortly before they reached Rio; otherwise the delay would certainly have been even greater.)

The wait naturally irked Peter, but it also gave him a chance to observe Captain Holman at close quarters, and he was not much taken with what he saw; for Holman, although good at dealing with the Brazilian bureaucrats, proved disconcertingly evasive when it came to discussing details of what the expedition was going to do.

It was thus to an atmosphere charged equally with hope and suspicion that the expedition eventually started up-country. At the first stop, in São Paulo, they were joined by Neville Priestley and he, Peter and Roger Petward formed a natural trio who clung together ever tighter as the enterprise gradually accelerated towards fiasco and disintegration.

In São Paulo they were overtaken by a revolution, which threw the railways into chaos and halted the expedition for another five days. At last, however, they set out on the night train to Riberão Preto, and thence they travelled by road, in a series of convulsive spurts and stops, via Uberaba and Goyaz to Leopoldina, the point at which they were to embark on the Araguaya. Their progress was much hampered by revolutionary activities and suspicious: at least once they were assumed, because of the weight of their armament, to be the spearhead of some political force.

At last, after apparently interminable delays, the expedition got moving properly. Two decrepit cars and a lorry were procured, and the party covered the last 130 miles to Leopoldina in a single day of ferocious discomfort. They reached the place as the sun was setting, and as they drove round the final corner came suddenly on the great river—a moment which Peter never forgot:

The Araguaya was there, in front of us and beyond it was a red-dens sky. The trampled open ground on which the twenty houses of the village stood ended abruptly at the lip of a perpendicular bluff. Beyond that, and forty feet below it, was the river: a river half a mile wide and more; a river so big, so long expected, and so phenomenal in every way that it seemed hardly possible to have come on it so suddenly. A river fired and bloody in the

sunset; a river that we loved instantly, so that at last to see it was exhalation in the air. It ran slowly but strongly, making no sound at all. The trees on the farther bank stood up, a dark plumed horde. We beheld for the first time, and in the most appropriate of circumstances, the frontiers of Mato Grosso.

Next morning they ferried all their stores and equipment by canoe across to a *praia*, or sandbank, in the middle of the river, where they slept that night on hammocks. At noon next day, July 30th, accompanied by a half-dozen crew seven strong, part Indian and part Brazilian, they set off downstream in a convoy of four boats—two *batazoas* (capacious clinker-hull craft some thirty feet long), one smaller clinker-hull vessel, and a dug-out canoe.

For three weeks they plied down the Araguaya, establishing a daily routine that became as familiar as if they had known it all their lives.

They slept on the sand of the *praias*, woke before dawn, had a cup of coffee, went off into the jungle to shoot for the pot any bird or small deer that might present itself, and returned at the call of a tin trumpet to breakfast of rice and black beans sprinkled with *farinha*—course flour made from the mandioca root which Peter described as tasting "like a disheartened potato".

After breakfast they packed and pushed off. The crews kept the boats close to the banks, and a good deal of shooting was to be had during every voyage, particularly for the men in the leading boat. Their choice of game was regrettably catholic: almost every creature they spotted—be it fish, reptile, mammal or bird—drew fire.

At about noon they would stop for a meal of *farinha* and water mixed with *rapadura*, a torrefied product of the sugar cane which was manufactured and sold in rectangular blocks. After this sickly snack they went on again, paddling with the current through the afternoon until at about four they began looking for a suitable *praia* on which to spend the night. One found, they landed and pitched their camp in very arduous undertaking, since all they had to do was to scoop shallow holes in the sand in which to sleep. Then, while the Indians cooked supper, Peter and Roger would take to the jungle in search of game and exercise.

During this stage of the journey Peter and Roger perfected a system of communication that was at the same time both practical and absurd. To other members of the expedition it seemed tremendously novel, but anyone who had been in the jungle would have realized that it was merely an extension of the jargon which he used anyway with his close friends, and that it served a similar purpose. Just as in ordinary life he used stock expressions to avoid emotional involvement, here in the jungle he resorted to parody in order to preserve some kind of detachment and sense of proportion. "Much of what we saw and did was clearly too good to be true," he wrote afterwards:

In self-defence—to inarticulate pursuance of a policy of *admiral* which is the joint product of repression, sophistication and all the hot air one bears—my tongue, Parody of Indians approached us, we referred to them as the Ocoming Savages. We never said "Was that a shot?" but always "Was that the unknown bark of a Mouser?" All insects of harmless nature and ridiculous appearance we pointed out to each other as creatures whose slightest glance spelt Death. Any bird larger than a thrush we credited with the ability to "break a man's arm with a single blow of its powerful wing." We spoke of water always as the "Precious Fluid". We referred to ourselves not as eating meals, but as doing "Ample Justice to a Frugal Repast". To anyone who did not think it as funny as we did it must have been an intolerably dreary kind of joke. But it made us laugh, and thus served its purpose. It became an important feature in that private code of nonsense and risk, of the defence against hostile circumstance.

Laugh as they might, they became increasingly worried about what was going to happen when they reached the Tapirapé, the tributary which they had decided to explore. Captain Holman—"bland, irrelevant and enigmatic", as Peter described him—sidestepped all their questions and refused to discuss what he proposed to do.

They found out soon enough. When they reached the Island of Bananal, at the point where the Araguaya is joined by the Tapirapé, Holman came into the open and announced that he had no intention of proceeding up the smaller river.

At once the expedition was

divided, Peter, fired by his natural sense of duty and by his obligations to *The Times*, emerged as the leader of the faction in favour of pushing on, which consisted (predictably enough) of himself, Roger and Neville Priestley. The rest were content to follow whatever lead Holman gave them. Tense, sarcastic arguments broke out.

Under pressure, Holman agreed to make a quick journey up the Tapirapé, but not to undertake an overland trek. At this an improvement, by way of a good enough one—Peter and Roger offered to resign from the expedition and to go and look for Fawcett on their own. This shook Holman badly. He became very angry; and when, on the way, he was asked why he did start up the Tapirapé, the atmosphere was highly charged.

After one night in the jungle, to Peter's unbounded elation Holman suddenly announced that he himself was turning back; the rest, he said, could go on as they wished, and he would await their return at Bananal. He disappeared downstream with one of the Indians in the smallest canoe. "We," wrote Peter, "went the other way, pressing with difficulty a tendency to break into a ribald song. From the ashes of our first camp on the Tapirapé a thin plume of smoke rose towards the laced branches, like the most delicate of exclamation marks."

Shorn of its vacillating figurehead, the expedition made (by its own standards) startling progress, reaching São Domingo, the port of the Tapirapé Indians, in five days, instead of the six which it had expected. Their first time the golog became really gruelling for the Europeans as well as for the Indians. All day they paddled on the twisting river, which became ever shallower and was frequently blocked by white water rapids, through canyons which were cut into the rock by the Tapirapé Indians. São Domingo proved to be no more than a series of empty clearings in the jungle on the river bank; Indians, it was clear, had been there recently but the place was deserted. This, the explorers had expected, and their plan was to split into two parties: one would continue up the river, mapping it as far as they could go; the other, consisting of Peter, Roger, Neville and two Indians, would march across country to a village where they knew they could contact the Tapirapés, and there hire guides for the trek towards the Fawcett country to the south-west.

The river party left as planned, but the land party had scarcely set out when they met four naked brown figures coming the opposite way—the advance guard of the entire Tapirapé tribe, which was on its way down to the river. Back at São Domingo, the white man distributed presents—necklaces, mirrors, knives, forks, spoons, tobacco pipes, brass cartridge-cases and lengths of black-and-red typewriter-ribbon—and after considerable problems of communication secured the services of the tribe's two "captains" as guides for a journey lasting no unspecified number of days to the south-west.

Although he was greatly taken with the Tapirapés as a people, much appreciating their sense of humour, Peter had no great hopes of the two chiefs, who appeared shifty, irresponsible, and (worse of all) entirely ignorant about the country for which they would be heading. Nevertheless, he decided to start next day at dawn.

That night he wrote several letters. In one, to Holman, he, Roger and Neville formally resigned from the expedition. In another, to Barrington-Ward at *The Times*, he explained why the party had broken up, and described his predicament with characteristic understatement. In fact he was neither "fairly well equipped" nor "exceptionally well accompanied"; indeed, these statements were gross exaggerations. He and his two fellow Old Etonians were alone in the middle of one of the biggest countries in the world, and six weeks at least by water from Belem, the nearest point at which they could hope to get help; their capital amounted to £5; they had very little food and practically no equipment; they could scarcely communicate with the natives, and the Indians for whose territory they were aiming were reputed to be hostile.

Yet in all this Peter found cause for elation. The days that followed were days of fierce physical strain, of considerable privation and risk, of real exploration—the best days, Peter said later, that he had ever known. Off they went—three white men and three Indians—all heavily laden, marching on compass-bearings across the campo, or grassy, tree-studded,

open country away from the river. The first day they covered some 15 miles, but by the evening it was clear that the Indians were lost, and that day ended in a frantic search for water, which they found just before darkness caught them. Peter was not surprised when the two Tapirapé chiefs announced that they would go no farther; but the real blow fell next morning when Neville, trying to pull on his boots, found that his feet were so sore (from a kind of blood poisoning) that he no decided he must give up and return to São Domingo.

This setback pared the British Mato Grosso Expedition down to three men: Peter, Roger and Queiroz, an excellent one-eyed Brazilian with a face "like a malicious hebeho" who had accompanied them all the way down the Araguaya. Their armament was also sadly depleted, and now consisted of a battered .22 rook rifle held together by sticking plaster and string, a .45 service revolver with which none of them could hit anything, and an ancient .44 rifle whose barrel had been ruined by neglect. Their food was practically exhausted.

Yet still Peter refused to give up. For four more days he led his little party on towards the south-west. First they backed their way through the jungle along the banks of a river which they took to be an uncharted tributary of the Tapirapé; then for two days they waded oaked up the river itself. On the last day they took once more to the open campo, occasionally leaving patches of scrub so as to fringe smoke-columns on which they could take back-bearings. By then they were constantly finding traces of other Indians—vestiges, as they called them—and often their fires were answered by columns of smoke in the distance ahead. In the day they were baked by the sun, and at night tormented by mosquitoes. Several times they were drenched and battered by elemental weather—the fiercer forerunners, Peter feared, of the rains, which, when they broke, would certainly put an end to their enterprise.

Eventually they agreed that there was no point in going on. Their only hope of achieving

further useful progress lay in making contact with the next tribe of Indians; but the Indians, though not far off, were clearly avoiding them.

"It went against the grain", Peter wrote later, "to turn back on that clear and lovely morning. We were certainly within a hundred miles of the place where Fawcett met his death, and the distance may have been considerably less if he made good progress on those days when the Kalapalos were watching his fires. Provided the rains held off, we could very easily have kept going for two or three days until we ran completely out of food. But we should have had a very hard time of it on the way back, and I hardly think we should have done much good. If one of us had gone lame, or if anything had happened to the .22, it is improbable that we should have got out at all."

The quest was dead; but the journey was far from over. Having returned safely to São Domingo, they discovered that through a misunderstanding all their vital stores—food, blankets, mosquito-nets—which they had left in a cache had been taken on down-river. Even Peter, who consistently played down any discomforts they suffered, afterwards admitted that by then they were in a had state:

By day we went naked, for it was very hot and we were always having to jump overboard and drag the boat. But at night we put on all our clothes against the cold and bandaged the rents in them against the mosquitoes. Neither of these precautions was very efficacious; we would have given anything in the world for a couple of blankets and few feet of gauze. . . . We had very little food, and we felt terribly the need for something with fat in it: the rice, of which we had a certain amount, left us bloated but unsatisfied. However, we were lucky with the game, and often their fires were answered by columns of smoke in the distance ahead. In the day they were baked by the sun, and at night tormented by mosquitoes. Several times they were drenched and battered by elemental weather—the fiercer forerunners, Peter feared, of the rains, which, when they broke, would certainly put an end to their enterprise.

Back at the mission station on Bananal, there occurred the long-awaited confrontation with Captain Holman. Having been struck for three weeks in that dreary place, he was exceedingly angry, and with a few last acrimonious exchanges the

expedition finally disintegrated. It was the fact that Holman had seized all his letters that really annoyed Peter, and as Holman drew away in his *batazoa*, taking with him the only two members of the party who remained loyal, Peter waded out to the boat and demanded the return of the correspondence for the last time. Holman refused again, and, as Peter wrote later, "there was very nearly an ugly scene. Very nearly, but not quite. That far-seeing man we discovered, had borrowed our revolvers. The flagship of the expedition dropped downstream, the target of inventive only."

There followed a tremendous race: a marathon over more than a thousand miles of the Araguaya to Belem, on the coast. This Peter and his truant colleagues eventually won—after a voyage which in itself was another epic of privation and endurance—by no more than a few hours.

Back in London after four months' absence he discharged his obligations to *The Times* by means of two long articles, the first accompanied by a whole page of his photographs; the second was a perfunctory account of what had taken place—non-committal and almost humourless—and gave no hint of the fireworks that he was about to produce.

When Jonathan Cepe wrote in the middle of December inquiring about progress with his book, he replied in typically self-deprecating terms: "The book is getting on terribly slowly. I am afraid it is going to turn out to be very palmed stuff; but perhaps it isn't as bad as I think." In fact he must have been working at enormous speed, for he finished a typescript of some 120,000 words in little more than two months.

In writing it he had one great difficulty: that of adequately portraying the foolishness and honesty of Captain Holman. Had he made a direct attack, Holman would surely have sued him for libel or defamation; and yet, if Peter failed to show the man up for the ass that he had proved, he would be unable to explain why the expedition had broken up in the way it did.

He solved the problem by a brilliant stroke: he saw Hol-

man, in any case, as a split personality, and instead of portraying him as one person, he showed him as two. The sensible, efficient long-term resident of São Paulo, the organizer whose skill and persistence through the chaos of revolution—he described as Captain J. Holman; but the boastful, egotistic and cowardly poseur, whose presence ultimately proved disastrous to the expedition's chances of achieving any success—this man he described as Major George Lewy Fawcett—an American citizen hold—or claiming to hold—a commission in the Peruvian army.

Only once, right at the beginning, when he first introduced Major Pingle, did Peter hint the device which he had adopted. "That is not name", he wrote. "You regard him as an imago character, if you like. He is longer quite real to me." The after he treated him as a person, merely substituting "Major Pingle" for "Holman" whenever the man's behaviour became unwarrantably idiosyncratic. So cunningly did he fashion his story that ninety-nine per cent of a hundred would read without realizing what he had done; but somebody exceptionally observant might notice that Holman—supposedly in charge of the whole enterprise—gradually fades from the picture as the expedition approaches the Araguaya, and, once it is embarked on the river, he appears again. The device served its purpose admirably: it scarcely detracted from the immediacy of the narrative and it enabled Cepe's solicitor to pass the text for publication.

*Brazilian Adventure* was published in August, 1933, and greeted by rapturous reviews. This is the adventure which one always dreams reading and no one else writes," announced *Jai* in the *Daily Express*. "It must enthrall everybody."

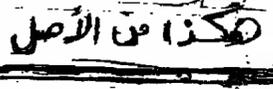
"This is an extraordinary good book," wrote Sir J. Squire in *The Sunday Times*. The *New Statesman* David C. Nett was equally enthusiastic: "Mr Fleming has the most delightful sense of humour and

Continued on page 7



هكذا من الأصل

Clive Barnes/New York Notebook
A tale of two city operas



Drink
Right red

New York is a musical town. I'm not quite sure how well we compare in frenzy of musical activity with London—about jolly, I should have thought, though the BBC summer music may give London the lead—but certainly no other in the world compares with New York's bubble and squeak in sheer number of performances we have slightly more in New York than there is in London.

Two minutes after... This is perhaps primarily a crisis of funding—the stock market has put private money and the great public foundations in danger. Other factors are also involved. On one simple level the government, which at one time either turned a blind eye or at least a tolerant one, on the earnings of foreign singers, has now apparently become niggardly in its income tax demands.

I have talked more about the Met than I mean to. Our musical life has other points of departure. The New York City Opera is a beautiful institution, and its director and chief conductor, Julius Rudel, is a wise and clever man who should be leading the Met.

The third act where Geronte was gratuitously made to look a fool. Almost the most interesting thing about Die Fledermaus is that it is given in English. Why? Remember the Met's Wozzeck, also a rare English-speaking bird. The morality of such procedures is peculiar.

Red wines for Christmas meals should be bought now, both to save time and to allow those with any deposit in rest. They should be immediately enjoyable, with a sufficiently robust style to partner the assorted and assertive flavours of turkey, goose and duck with stuffings and sauces, big joints and possibly game, therefore I would suggest wines with pronounced fruit and sufficient acidity or tannin to counteract too much richness.

ENTERTAINMENTS
ALSO ON PAGES 8 AND 9

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Offices and homes



Elsie Hendley, factory worker, West Hampstead; 1974. One of Nancy Hellebrand's photographs from the Londoners at Home exhibition at the National Portrait Gallery.

Working in a domed hall next to the main entrance of the Victoria and Albert Museum is a structure which from the outside looks like a gigantic tent. But pass through the opening in the side and you find yourself in the former office of Edgar Kaufmann, woer of the Kaufmann department store of Pittsburgh.

Even the geometric wall mural—is made of the same brown monochrome wood. Light filters in through louvers or from hidden sources, and the only break in the walls is one triangular window or light fitted into the geometric mural.

In one sense the images have a documentary truth, but they also reveal the photographer's general attitude. All the choices a photographer makes—of equipment, angle of view, lighting, even personal relationships with the subjects—come out eventually in the picture.

Fleming

Continued from page 6

Two good 1971s from Chateau-neuf-du-Pape are Clos St Pierre and Chateau Maucou, both domaine-bottled by Quoit and shipped by Lebeque.

One of the main reasons for the book's success was Peter's splendidly original attitude. Until he came on the scene, travel and travel books had been treated with excessive reverence and solemnity; but then, with a single, sustained burst of self-mockery, Brazilian Adventure blew the whole genre sky-high.

The book at once became a phenomenal success. In the last few months of 1933 it raced through eight impressions; in 1934 it went through another four, in 1935 another three. By 1946 it had been reprinted in various hardcover editions in fewer than 25 times. In 1966 it was chosen as a set book for schools, and in 1974, 40 years after its original publication, it is still in print, having sold altogether some 123,000 hardback copies.

They make a strong immediate impact because the same artistic device of isolating one of two people against the background of the rooms they live in is used in nearly every photograph. You can almost feel the photographer waiting, shutter-finger poised, for the moment when the person's expression or gesture seems to her, to marry exactly with their surroundings.

Wine

Two good 1971s from Chateau-neuf-du-Pape are Clos St Pierre and Chateau Maucou, both domaine-bottled by Quoit and shipped by Lebeque. The Maucou has weight and the St Pierre has charm, and you could even serve both together (£26 and £27.50 the case respectively, from Cameron French, 34 Old Brompton Rd, SW7).

From even farther south, there is a 1971 Bando, Domaine Templier, from Genesveuve Wine Cellars, 157 Caledonian Road, N1. The proprietor, Lucien Pevraud, who has bottled it himself, believes that this is the finest wine he has ever made—it is profound and velvety, but with subtlety and, decanted an hour before you drink it, will astonish and please very much.

The grape used is the Mourvèdre, the single bottle price £2.02. Two other wines that may be novelties and are certainly bargains are the Hungarian Cabernet, shipped by F. & E. May (£1.19 from Harrods); this is a fine firm wine, with true character, bouquet and character. From South Africa, the KWV Roodberg is another wine made from the great Cabernet, but totally different, a little earthier and perhaps more open in texture—very good with rich or gamey fishes (£2.26 the case or £5.65 the half case, including delivery, from SAWFA House, 22-23 Great Tower St, EC3.) These good red Cape wines are now much in demand in their homeland, so supplies here are sometimes restricted.

It can read as still good buy for fancy occasions. Two Malini Chianti, both Classico, that I have enjoyed were the Granajo, very fruity and with an excellent finish, and La Selvenella, lighter in appearance and very fascinating especially as regards its aftertaste. (Both £2.15 from Francis Downman, 56 Tooley Street, SE1.) Then there is a 1964 Gattinara Spanna from Campi Raudii, bottled by the producer, which is more silky, typical of the Nebbiolo grape and well suited to poultry. (£1.75 from Hedges & Butler, 153 Regent Street, W1.)

WINE by Hugh Johnson
The finest contemporary essays on wine ever published. Fully illustrated. The Times said: 'A remarkable book'
MITCHELL BEAZLEY

Guy Brett

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Peter Fleming, by Duff Hart-Davis will be published by Jonathan Cape on Thursday at £6.

Pamela Vandyke Price





SOUTH BANK CONCERT HALLS

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ROYAL FESTIVAL HALL

Table listing concert events at the Royal Festival Hall, including London Bach Society, Philharmonia, Orquestra Sinfonica Brasileira, Organ Recital, Noel Rawsthorpe, Royal Philharmonic Society, Bach Choir, This is Scotland, London Symbony, Don Quixote, London Symbony, Charles Benbow, BBC Symphony, London Philharmonic, and City of Birmingham Symphony.

ROYAL FESTIVAL HALL

THE ANGLIO-AUSTRIAN MUSIC SOCIETY AND VICTOR HOCHHAUSER presents SATURDAY 16th NOVEMBER at 8 TONI PRAXMAIR'S TYROLESE SINGERS & DANCERS

Monday, 25 November, 8 p.m. Polyphonia presents ELGAR'S 'CARACTACUS' A concert-drama in six scenes

QUEEN ELIZABETH HALL

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FRIDAY, 15 NOVEMBER, at 7.45 p.m. LONDON SINFONETTA Conductor, Gary Bertini

TUESDAY 19 NOVEMBER at 7.45 p.m. VERMEER QUARTET Leader: Samud Akhrami

THURSDAY 21 NOVEMBER at 7.45 WALTER KLIEN BRAHMS: Intermezzi op. 116

MONDAY 11 NOVEMBER at 7.30-8p COMPOSERS FORUM: an open discussion on Schoenberg

MONDAY 11 NOVEMBER at 5.55-8p PIERRE BOULEZ talks to PETER STADLEN

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AMICI STRING QUARTET Haydn Quartet in C, Op. 74 No. 1; Bartok Quartet No. 2; Brahms Quartet in C minor, Op. 51 No. 1

RICHARD LESTER Harpsichord Recital A programme of Sonatas by Scarlatti

A PORTRAIT OF FRYDERYK CHOPIN Nelly Ben-De (piano) Gabriel Wasth (violin) Stuart from the violin, chamber & piano: Richard Schickel

Back to Bass Brownie Nash (double bass), William Mason (bass), David Perry (piano) Back 1st 'Cello Suite' by Hindemith



The Henry Moore Sculpture Centre.

Anthology of a life's work

Canada is a great and virtuous country: its imaginative energy was first disclosed for most of us at Expo 67. That elegant and staidly combustion was staged to cosmopolitan Montreal; but Toronto is also a fine city, with its own cheerful identity, a tonic spirit, and a comfortable mixture of old and new architecture.



Bryan Robertson

made since 1970. Moore is clearly hard at work, securely inside that wondrous phase of indefinite duration that we treasure in the later periods of Titian or Rembrandt.

The buzz-saw bard

And in what remains of the play, Miss Goodbody shows the best work she has done since she joined the RSC. Played on an empty floor and up and down the gangways of a three-sided auditorium, the production takes its style from the intimate environment; aiming first of all at rapid, comprehensive narrative and authenticity of character.

A dark void around the heart

British Film Awards, The Jean-Paul Sartre chez Evax. Now, nobody could follow that, and I did not expect them to. But that the new Python would fall so far short of the average is something for which I wasn't prepared, and which leaves me with a dark void around the heart this morning.

Who is buying up Britain?

Leonard Buckley Well, there was Christopher Brasher slipping up a television powder a year ago about the nation's dependence on drugs. And here he was last night giving a whole new meaning to the saying that where there's muck there's brass.

Travel

Exploring the island of Napoleon



Corsica: Tourism could be one of the island's trump cards, but what kind of tourism?

It is possible, I am sure, to visit Ajaccio in Corsica and not call at the house in which Napoleon Bonaparte was born. Being dutiful in such matters, however, I took my first opportunity to do so a few weeks ago, well aware that, as the guide book put it: "The town is still impregnated with his memory."

His birthplace, alas, is impregnated with a kind of moth-bait indifference. How sad and disappointing that cold, dead property is. Displays of 18th century furniture, fading in faded rooms, a few showcases, prints and busts which give little indication of what was to become of the infant born there on August 15, 1769 and certainly no hint of the drama or the sheer adventure of his impact on Europe.

As a child, museums bored me, but I have seen them transformed here in Britain to capture the imagination, and thus the attention, of the young. Think what a little effort could do for a location as important as the Napoleon's birthplace. Dioramas of his battles, soldier models in the varied uniforms of his armies; his rise to power, his exile and return and further exile; the Corsica of his childhood, the Europe of his day. Here that task to an imaginative museum director—and they are to be found in plenty in Britain if France does not possess them—and the Casa Bonaparte would then become worthy of the man. As it is, it is a shell of boredom, an opportunity missed, an asset ignored.

Enough of hobby horse riding. Let me tell you about Corsica—or, rather, about that part we visited last month, flying into Ajaccio from Paris on an Air France Caravelle having used the "Moyen Air" for the London/Paris leg of our air journey.

I had read enough about the island to know that it was going to be entirely different from those other Mediterranean islands I have visited. I knew a little of its history and culture, or at least enough to be aware that, though part of France, it is not "French". Colleagues had told me about the distinct appeal of the scented, maquis-clad landscape, its mountains and its beaches. And in no time at all it seemed I was discussing that appeal with a true enthusiast, M Henri Poinsignon who is head of the island's hotel association. He is also owner of the

three-star hotel Marina, which stands in its own grounds on a beach overlooking the bay in which the mwn of Propriano is situated—south of Ajaccio. A thorough delight, the Marina and the sort of hotel used by holidaymakers touring the island by car. (A type of holiday I recommend and about which I shall have something more to say in a while.)

The French government has recently published plans to split Corsica into two administrative regions. Although this will double the island's representation in Parliament, the plan is widely opposed by Corsicans who feel that Paris is attempting the age old ploy of "divide and rule". There is a movement for independence, or at least a revitalization of the island, and from what I was told during my visit, Corsica is getting a raw economic deal from the Paris administrators.

Tourism could well be one of Corsica's trump cards and there is certainly plenty of scope for it. But what kind of tourism? This was what M Poinsignon and I discussed in his comfortable hotel lounge until the small hours of the morning.

Slicing through Corsica from Ospedale in the south-east to Piana and Girolata on the north-west coast (and beyond into the sea) is a nature reserve, some 37,000 acres of mountainous scenery. Ideal for hikers and other "away from it all" visitors, it could also be used by riders, and one of M Poinsignon's hopes is to establish and promote horseriding holidays in the area.

Leaving aside the benefits of "fly and drive" concessions and other holiday deals, the Avis unlimited mileage rates on Corsica next summer range from approximately £46 a week for a small Renault 5TL or Simca 1100LS to around £60 a week for the Peugeot 304 or Renault 16. Incidentally, small cars are best for this island, whose roads, though well surfaced, tend to corkscrew through the mountains.

Though we were there for only a few days, and had to concentrate our tour on the south of the island, Corsica lived up to all my expectations. It was grand to see the mountains almost glowing in the late afternoon light and though the weather was as cold as one should expect at that altitude in October, the vegetation made

a brave show and the scents were bold and memorable. "We get a good number of visitors from Britain," one hotelier told me. "And they are all, how can I put it, of the same sort. They are good visitors." I feel that I know well the "sort" he means. They are those for whom the large and organized holiday resorts have no appeal. Those who are prepared to strike off alone. We met some, late in the season though it was, on our way from Olmeto to Ajaccio. An English couple who were finding costs higher than expected—though they confessed they were last on Corsica in 1959—but who clearly regarded it as a sort of last

hastio and retreat in face of the tourist tide that has washed the pleasure shores of the Mediterranean. Nobody pretends that Corsica is inexpensive, though there are ample alternatives to the luxury hotels, and more should be provided. It is an island that requires mobility and rewards exploration, which is why I

would suggest a motor touring holiday, or an arrangement which had one staying in two or perhaps three places and included the use of a hire car. Corsica has special representation at the French Government Tourist Office at 178 Piccadilly, London W1V 6AL. From there you may obtain information about the island offering arrangements summer. Any competent agent will be able to details of those arrangements as well as fly and drive through Air France, Britways, Hertz and Avis.

John C

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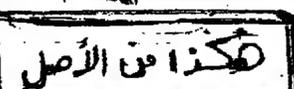
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Gardening. Lovely weather for trees. The weather, while it may not have suited us this autumn, was certainly just right for our autumn colouring trees and shrubs. Never before have my specimens of Cotoneaster horizontalis turned such a flaming scarlet, nor has our young tree of Prunus subhirtella autumnalis ever taken on such bright orange red leaves. We will plant another; it is easily propagated by cuttings, and indeed makes an attractive house plant for a year or two until it becomes too big. Jobs for November. If November is kind; if it is dry; if the ground which has been waterlogged in many parts of the country dries out a little, we can get on the ground and catch up on the jobs we should have done in October. A few more powerful gales, while cutting short the brilliance of autumn colour, will at least hasten the leaf fall and let us do the job of clearing up more quickly. Finish planting spring bedding plants and bulbs. Watch for slugs in frames or under cloches, and put down slug bait if their slimy trails are seen. Examine everything in store frequently. Mice seem to be unusually troublesome this year. If mice fail to take cheese in a trap, try milk chocolate, one or two mooney nuts, or a melon seed. Cut back any excessively long new growths of hybrid tea or floribunda roses by half their length to prevent the bushes being rocked about and loosened by gales. Check stakes and ties of all trees planted in the past two or three years, and reeve them if necessary. Take up, clean and store under cover canes and stakes. Put garden furniture under cover; if you have no shed space to spare, wrap the furniture in plastic sheeting, making sure the legs or feet of tables and chairs are not in contact with the wet ground. Send mowing and other machines off for servicing as soon as you have given the lawn its last cut for the season. Tidy up beds or borders of herbaceous plants. Cover leafy plants with a layer of bracken or straw before severe weather sets in. If you have a sloping path or drive have sand, gravel or salt handy in case of snow or frost. About the end of the month, if birds are troublesome in your neighbourhood, protect the buds of fruit trees, ornamental cherries and forsythias. Either spray with Carb, or spread Scarabex nylon spiders web material over the branches. Roy Hay

Bridge. Mindgame. There is an element of poker in the bidding of an intelligent player who sets out to make the most of a good hand, and nothing is more irritating than to cut against him with a partner who doubles in a steteofic fashion. North South game; dealer South. South: 11083, AB2, AJ10, QJ70. West: AKQ872, K104, AS. East: 07854, 072, 855. West led the ♠A with confidence, expecting to make two tricks in diamonds and one trick in trumps. Declarer played four rounds of spades and established dummy's long clubs for discard of two losing diamonds. The lead of the ♠Q was superior to the ♠A; but after clearing clubs, declarer would have drawn trumps and put West on lead to play from one of his aces. Even if West had opened the ♠J there was no way in which he could take more than three tricks, with the ♠Q an entry to the clubs. In case West's double appears too elementary, I am giving a deal from a light-stake game in America when the bidding suggested that the declarer had lost control of the hand. The defenders between them presented him with his contract. Game all; dealer South. South: 00542, KJ32, QJ4, 10. West: AK53, 07854, J8754. North: A554, AK53. South led the ♠Q to the ♠A and South played the ♠A and another heart, during winning with the ♠7 and East discarded a diamond and a club. A diamond from dummy was taken by East who returned a diamond ruffed by South. Declarer next led a trump taken by West who knocked out the remaining trumps. Throughout the play East was under the impression that South held a four-card spade suit and therefore could not have more than two clubs. Having thrown his last diamond, East had to find another discard, and, placing his partner with a trick in clubs, he threw a second club in order to preserve his spades. So declarer cashed four clubs and the ♠A for his contract. Edward Mayer

Chess. Across the board. On rereading my last week's piece it strikes me that I was a little hard on Europe. No doubt Europe will survive my aspersions, but, since I class myself as a European let me purge myself of continental treachery by affirming that there are worse, much worse, places for a chessplayer to live in than Europe. We may be short of oil, sugar and toilet rolls and threatened with such a decline in our standard of living as to render us vulnerable to such illnesses of deprivation as ergotism and dropsy, but, on the whole, we still either play, or see played, the best chess in the world. Here a transatlantic reader might raise his eyebrows and mention Bobby Fischer; but that great player has been totally inactive for the past two years. Invoking his name at this moment seems about as useless as calling upon Zamelet, that evil spirit in Der Fretschutz who is feeble enough to merit enshrinement in Private Eye. Some years ago I was glad to accept election by the World Chess Federation to a sub-committee of three expressly concerned with European chess affairs. Initially the idea was that we, an Austrian, a Czech and an Englishman, were to sort out the various European countries into appropriate groups for their competition in the European Team championship. But with the progress of time our field of action became enlarged and the last time we met, in Amsterdam, our sessions were scheduled to last two full days. Not that we took all that long. Indeed, under the brisk leadership of that learned Viennese jurist, Dr Dorazil, discussions went so well that I had quite a fair amount of leisure time. Some of this I devoted to a visit to the wonderful Van Gogh exhibition, accompanied by Dr Dorazil. Next day, leaving my colleagues to check over the final draft of our report to the World Chess Federation, I went to a concert largely devoted to Schubert's piano music. I have the programme in front of me as I write and I see that the interval came between the lovely Sonata in A (D664) and that majestic last Sonata in B Flat. During this interval I chanced to meet another chess-master, Lodowijk Prins. He was bubbling over with enthusiasm for an idea which he wished me to convey to the chess world without delay, if not sooner. The idea was not a new one. It had already been admirably played by Emanuel Lasker and later taken up with enthusiasm by Heinrich Frankel who writes so entertainingly under the pseudonym of Assiac. It is simply that the games players should be their copyright and that fees should accrue to players from newspapers, magazines and books wherever the games appeared. Harry Golombé









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# A PRELIMINARY SKIRMISH

April it was Chile and Mr. ... Now it is Simonstown ... Mr. Beun, Mrs Hart and Miss ...

with political responsibilities that are not in all important respects congruent with those of the executive, seems specially designed to become over-heated. It ensures that the friction there is bound to be from time to time between the NEC and a Labour Cabinet...

The present foul was committed in the National Executive Committee of the Labour Party, which the three ministers named are members. Members of the NEC have their constituency in the party conference...

We are witnessing preliminary moves, a sort of sizzling-up dance round the ring, before battle commences on the issue of authority within the Labour movement. The battleground will be the renegotiation of the terms of entry into the European Economic Community...

Like much else in the constitution of the Labour Party, this title bit of machinery, which admits to the executive people

Let it be supposed that Mr Callaghan, having scaled down his demands, does not meet a serious obstruction in Brussels; and that a point is reached before the middle of next year

# SOUTH VIETNAM'S MOUNTING DESPAIR

President Thieu's message yesterday on South Vietnam's national day lacked assurance for the present and promised less for the future. The limited war goes on. He did undertake to root out the corruption in the armed forces...

only an echo of Mr Nixon up against the Watergate ropes. The real question is whether the evidence of demonstrations in the past three months shows that the people of South Vietnam have had enough and are now looking for a way of escape from their despair.

# ARGUING THE CASE FOR DEFENCE CUTS

The Government will have completed its deliberations on the Defence Review by the middle of this month. This can be safely inferred from Mr Short's House of Commons answer on Thursday when he promised a parliamentary statement on the review in the third week of November.

Its strategy during the two or three months of negotiation is expected to involve bilateral consultations first with the United States and Germany, after which the less powerful allies should be able to mount little more than token opposition to the review.

Change in S Africa from Mr Ronald Watts ... The seeming ease with which power is being transferred from white to black in Portuguese Africa as tanned to encourage the idea of a similar transfer can take place in Rhodesia and South Africa.

And these reduced commitments to Nato and neo-Nato allies must be seen against a background of other likely cuts in spending upon the three services, in research and development projects for instance, which could impinge upon the overall effectiveness of the whole.

# Change in S Africa

from Mr Ronald Watts ... The seeming ease with which power is being transferred from white to black in Portuguese Africa as tanned to encourage the idea of a similar transfer can take place in Rhodesia and South Africa.

greater state of flux than it has ever been and it is important that the British Government quickly develop a strategy which will permit us to play a constructive role in the months ahead. Our former policy of verbally condemning South Africa but at the same time continuing to maintain full trade, investment and military links must now be revised.

# The SNP's election Campaign

From Mr Tam Dalyell, Labour MP for West Lothian ... Sir, Geoffrey Smith's perceptive article (The Times, October 22) takes a somewhat elevated view of why so many Scots voted SNP, and omits mention of more earthy factors...

As Mr Smith knows, since he spent half-a-day with us on the doorstep of Armadale, West Lothian, I was being held personally responsible by SNP canvassers for every chipped sink, every choked drain pipe, every manifestation of dampness in the bedroom, and all the inevitable hardships, following large scale modernisation of council houses.

Secondly, Mr Smith omits any reference to the effect on Scottish political attitudes of some of the English media. Pride of place, in this context, must go to sports TV commentators, who were often insufferable to us, during our World Cup attempt in Germany in June.

# The system of tied cottages

From Mr David Gemmill ... Sir, The Government appears determined to abolish the agricultural tied cottage system. This is confirmed in a reply received from the Prime Minister to an inquiry by the Royal Association of British Dairy Farmers...

The tied cottage system is operating in a number of industries including the police, coal mining, British Rail, teaching and local government and it is strange to say the least that agriculture—the industry which will be most severely affected by the abolition—has been selected for this retrograde step.

There is no doubt that the great majority of farm employees living in service cottages appreciate that any disadvantages are fully outweighed by the advantages. They are free or at least almost free to move from one part of the country to another knowing that housing will invariably be available, indeed when seeking new employment stockmen usually insist that suitable accommodation is available.

# Planting trees for posterity

From Mr A. J. Methuen ... Sir, In 1798 Repton supervised the planting at Corsham of 2,700 oaks, 1,450 Spanish chestnuts, 600 alms, 1,450 beeches, 100 sycamores and 1,800 willow-leaved, ilex-leaved and scarlet oaks. The account to Repton for his supervision was £142.10.0.

Of the Spanish chestnuts, there are only a dozen survivors; the beech are present in some numbers, but are at the end of their lives, losing branches in gales or growing extensive crops of fungus.

The format of the Park is still very good, but the damage is great. Replanting in conjunction with modern agriculture and present-day vandalism is making the problem of restoration difficult. Just in plant 200 trees of respectable size, 5ft size is costing around £2,500, and, to fence off the required space, some three to four acres have been withdrawn from the tenant farmers.

# World food supplies

From Mr Ian Haig ... Sir, We would like to comment on the reaction of the Government to the proposals tabled by the United Kingdom voluntary development agencies for the World Food Conference (Letters, October 30) which call for magnanimous aid immediate assistance from the industrial world to the underdeveloped nations in terms of financial and technical aid.

We are very pessimistic about the likelihood of these proposals being implemented if all the industrial nations respond as lethargically as the British Government to the demands of the world food crisis.

The only extra offer of assistance from Britain is 5,000 tons of fertilizer which represents about 5 per cent of all fertilizer used in Britain for non-agricultural purposes. The Government has not even offered to pay for this trivial quantity.

# Saving the Criterion

From Mr Ian B. Albery ... Sir, There is considerable confusion surrounding the emotional subject of "saving" theatres. Apparently the Mayor of Westminster City Council, the prospective developers of the Criterion site and, indeed, many other commentators, consider the job is done if the bricks and plaster are safely enshrined in a concrete and steel edifice.

The major cost element, however, is that of staff salaries (41, including part-timers, at the Criterion, many of them having service of 20 years or more, and with skills only related to the theatre), and this is the provincial millstone, unless, of course, the management is ruthless and sacks them all.

A theatre can hardly go to the local estate agent and hire another 600-seat playhouse near Piccadilly Circus. Subsidized theatre companies, often receiving 50 per cent or more of their total revenue from the Government, are to a certain extent insulated against the effects of a closure.

# Middle East conflict

From Mr Roger Hardy ... Sir, The Rabat conference has underlined what many have suspected: that the Middle East have been emphasizing for a long time: that the future of the Palestinians is the central issue of the whole Arab-Israeli conflict.

It is precisely because this central issue is now so clearcut that the dangers of renewed conflict are considerable: Israelis and Palestinians now stand face to face and glare scorchingly at the land of Palestine in their hands. This is perhaps the world's last chance to wake up and realize that a fifth Middle East War may easily become a Third World War.

# Alexandra Palace organ

From Mr David N. Angus ... Sir, Perhaps the distinguished signatories of the letter of November 1, 1974, might like to ponder two factors which they appear to have overlooked. Firstly, if the organ is to be restored, who is going to come and listen to it, isolated as it is in north London? (I agree that 4,500 people have signed the restoration petition, but doubt if one could depend upon their attendance at regular recitals.)

To be fair to the developers, they have a duty to their shareholders to maximize profitability, but the encouragement given them by Westminster City Council to demolish historic listed buildings, the oldest in Piccadilly Circus, thereby imperiling a working theatre with a tradition going back a hundred years, particularly at the dawn of "European architectural heritage year", seems an extraordinary caprice.

The kindest conclusion can only be that this is the last cynical thrashing of the comprehensive development bulldozer of the sixties, and that sanity will prevail, through the good offices of the Greater London Council planning committee, who have already passed a resolution to the effect that planning consent affecting the Criterion Theatre must stipulate that the theatre is allowed to remain in uninterupted use throughout any redevelopment.

One would query whether Westminster City Council has ever seriously examined the practicability of rehabilitating the historic Verity Buildings, which are structurally in perfectly sound condition, as one would have thought it a reasonable assumption that the majority of those members of the public who visited the exhibitions in 1972 and 1974 and voted to save the theatre were also casting a vote for tradition and continuity of theatrical activity, and were not approving the gutting of the Verity Buildings for office development, or condoning the closure of the theatre for an indefinite period to assist these works.

It now rests with the Greater London Council and the Department of the Environment to really save the Criterion Theatre and, hopefully, at the same time, the London Pavilion.

Yours faithfully, IAN B. ALBERY, Albery Theatre, St Martin's Lane, WC2 October 28.

Little could threaten the world's peace and prosperity more than the present gross imbalance in world food supplies. Yours faithfully, IAN HAIG, Executive Secretary, World Development Movement, Bedford Chambers, Covent Garden, WC2.

# Control units in prison

From Mr Roy Bailey and others ... Sir, As members of the committee of the National Deviancy Conference, the largest organization of criminology researchers in this country, we would like to draw your readers' attention to the serious concern among professional sociologists and criminologists about the new prison Control Units set up by the Home Office.

The extended system of isolation and deprivation in the new units can be damaging. Troublemakers are segregated for two periods of 90 days in the first of which there is solitary confinement and (a feature Mr Wright does not mention) a return to the first day as a punishment for misbehaviour.

In our view nothing short of a complete and immediate abolition of the Control Units can deal with concern about the potential abuses of this system. We call on the Home Secretary to make an immediate statement about this issue.

ROY BAILEY, Head of Dept of Applied Social Studies, Sheffield Polytechnic. MIKE HEPPWORTH, Lecturer in Sociology, University of Aberdeen. GEOFF PEARSON, Lecturer in Sociology, University College, Cardiff. PAUL WALTON, Senior Lecturer in Sociology, University of Glasgow. STAN COHEN, Professor of Sociology, University of Essex. PETER LEONARD, Professor of Social Work, University of Warwick. IAN TAYLOR, Lecturer in Criminology, University of Sheffield. JOCK YOUNG, Principal Lecturer in Sociology, Middlesex Polytechnic. DAVID DOWNS, Reader in Sociology, London School of Economics. MARY McINTOSH, Research Fellow, Nuffield College, Oxford. LAURIE TAYLOR, Professor of Sociology, University of York. October 25.

# Royal Court attendances

From Miss Anne Jenkins ... Sir, Mr Robert Morley in his letter of October 21 states that at most of the plays the Royal Court Theatre has in mind to do, you can't find twenty-five patrons a night. The facts are that for the last six months we have been enjoying 83 per cent attendances, and for the last three years 75 per cent attendances and the theatre has four hundred and one seats.

It is more uncomfortable still to realize that the West bears a heavy responsibility for the causes at the root of the problem. Israel was of the West's making. Its creation, if in part a gesture of humane idealism, was a gesture which backfired cruelly. Britain in particular committed one of the worst blunders in its imperial history by encouraging Zionist nationalism precisely at a time when it had effectively stunted Arab nationalism.

The two came inevitably into head-on conflict, the one nurtured upon hope and the other upon anger. It was the Western powers who set the nations awaring, and who by so doing set in motion a cycle of violence which so far they

# Letters to the Editor

From Mr A. J. Methuen ... Sir, In 1798 Repton supervised the planting at Corsham of 2,700 oaks, 1,450 Spanish chestnuts, 600 alms, 1,450 beeches, 100 sycamores and 1,800 willow-leaved, ilex-leaved and scarlet oaks. The account to Repton for his supervision was £142.10.0.

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# World food supplies

From Mr Ian Haig ... Sir, We would like to comment on the reaction of the Government to the proposals tabled by the United Kingdom voluntary development agencies for the World Food Conference (Letters, October 30) which call for magnanimous aid immediate assistance from the industrial world to the underdeveloped nations in terms of financial and technical aid.

We are very pessimistic about the likelihood of these proposals being implemented if all the industrial nations respond as lethargically as the British Government to the demands of the world food crisis.

The only extra offer of assistance from Britain is 5,000 tons of fertilizer which represents about 5 per cent of all fertilizer used in Britain for non-agricultural purposes. The Government has not even offered to pay for this trivial quantity.

# Middle East conflict

From Mr Roger Hardy ... Sir, The Rabat conference has underlined what many have suspected: that the Middle East have been emphasizing for a long time: that the future of the Palestinians is the central issue of the whole Arab-Israeli conflict.

It is precisely because this central issue is now so clearcut that the dangers of renewed conflict are considerable: Israelis and Palestinians now stand face to face and glare scorchingly at the land of Palestine in their hands. This is perhaps the world's last chance to wake up and realize that a fifth Middle East War may easily become a Third World War.

# Alexandra Palace organ

From Mr David N. Angus ... Sir, Perhaps the distinguished signatories of the letter of November 1, 1974, might like to ponder two factors which they appear to have overlooked. Firstly, if the organ is to be restored, who is going to come and listen to it, isolated as it is in north London? (I agree that 4,500 people have signed the restoration petition, but doubt if one could depend upon their attendance at regular recitals.)

Secondly, the letter expresses the claim that this is "the finest concert organ in the world". I would hazard a guess that many people would nominate some other instrument for this title—such as the eclectic and far-seeing organ in the Royal Festival Hall (but this is a purely subjective matter).



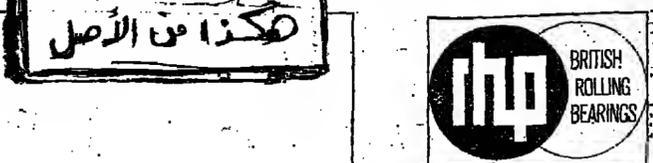








# THE TIMES BUSINESS NEWS



## Benn proposal for National Enterprise Board take in Herbert

Edward Townsend

Mr Benn apparently made no comment about state control of the industry.

In a statement issued by the Department of Industry, Mr Benn said it would be helpful to investigate the immediate financial prospects of Herbert and to develop proposals covering all relevant aspects, working closely with representatives of the management and workforce. At the end of the study, proposals could then be put forward with the full support of all concerned.

On Tuesday, Mr Benn said it had become clear that the company was unable to secure its long-term future on a sound basis against a background of longstanding problems.

After yesterday's meeting Mr Neale Kaine, managing director and chairman of Herbert, said: "There is a great social experiment. If it works we may just be able to prevent too much military taking over in this country. It could set a pattern."

If the Government is not interfering with management but just monitoring it as a father confessor, then it is no worse than aid being provided by a finance house."

Mr Kaine, who said that the company's future could be a "thundering great success", ruled out workers having seats on the board of directors, a demand which he usually because it stretches the unions both ways", he said.

Mr Kaine remained non-committal over the politically sensitive issue of closures and redundancies which could be raised by the consultative committee. "I am not prejudging anything", he said.

## ICI gives white-collar union right to negotiate

By David Young

ICI is for the first time to give bargaining rights to a white-collar union. This follows a ballot among 7,000 of its technical and scientific staff, showing that they wanted to be represented by Mr Elive Jenkins's Association of Scientific, Technical and Managerial Staffs.

ASTMS has been attempting for four years to secure bargaining rights for monthly-paid white-collar staff within ICI. The company has constantly said that it would give union recognition to a clearly defined group of workers only if the majority of them voted in favour of it.

The results of a ballot conducted by the Electoral Reform Society among 7,000 ICI staff in several industrial plants was 4,067 (72.43 per cent) in favour of ASTMS representing them and 1,751 (27.53 per cent) against.

ASTMS will now begin discussions with ICI on how negotiations should be conducted. It is possible that ASTMS will now join in the ICI national negotiating committee with the several other unions which represent weekly paid production workers.

Mr Jenkins said yesterday that many of ICI's other 30,000 monthly-paid staff would seek to be represented by ASTMS.

In its fight to win bargaining rights for monthly-paid ICI staff, ASTMS was at one point on the verge of going to the National Industrial Tribunal with a joint application with the ICI Staff Association for bargaining rights.

ASTMS abandoned this move after ICI advice. In any case its application as an unregistered trade union would not have been allowed under the Industrial Relations Act.

## Citibank cuts its prime lending rate to 10 3/4 pc as US unemployment nears 13-year peak

From Frank Vogl New York, Nov 1

First National City Bank has cut its prime lending rate to 10 3/4 per cent from 11 per cent. The lower rate will take effect on Monday.

Meanwhile, it was disclosed today that unemployment in the United States rose by 200,000 to 5.5 million in October, representing an increase to 6 per cent from 5.8 per cent of the country's work force. The last time the rate exceeded 6 per cent was 13 years ago.

Bankers here maintain that the Federal Reserve system is embarking on a significantly easier monetary policy as unemployment rises and that the months ahead will see the parallel developments of higher unemployment and lower short-term rates.

Both the prime rate cut and the rise in unemployment were expected. It is the widespread view on Wall Street that the prime rate will continue to fall by 1/4 per cent a week for some weeks to come. This has been the pattern for the last five weeks.

At the same time some bankers firmly expect unemployment to reach 8 per cent by the end of next March, although most economists in New York tend to be less pessimistic.

The high unemployment expectations of the bankers largely reflect the increasing number of reports they are getting from corporate customers about declines in consumer demand.

In real terms, consumer spending has been about flat for the past 18 months, but according to the bankers, it is now starting to dip sharply.

Many experts feel that the downward trend, resulting from the overly tight monetary policy of the Fed, may just could produce a sharp rise in the unemployment rate in the next three months.

The Fed appears to be compensating to some extent for its tough policies by easing restraints on liquidity. The rate on Federal funds—reserves banks lend each other—is holding steady around the 9 1/2 per cent to 9 3/4 per cent range, but it is widely expected to be pulled down through Fed open market operations in the next 10 days to around 9 per cent to 9 1/2 per cent.

One Wall Street bond dealer said today: "The Fed will go much easier on liquidity just as soon as next week's \$4,850m (about £2,080m) Treasury auction is over."

His view is widely shared and the latter part of this month and early December are expected to see a considerable increase in liquidity.

Such expectations are greatly encouraging the bond and stock markets, despite the gloomy economic news represented by the unemployment figures.

Rising unemployment is likely to increase pressures on the Administration to start reflation. Top White House officials are determined to hold firm for their plans for tight fiscal policies and they are preparing for the battle ahead with the Democratic-controlled Congress.

The First National City Bank has become the trend-setter for the prime rate and banks across the country are likely to follow the downward move, although some are still abiding restraint and keeping their prime lending rates consecutively 1/2 per cent above the Citibank's level.

First National uses a complex money market formula to arrive at its prime rate. This formula, dependent on several factors, Fed funds rates, would now call for a 10 1/2 per cent prime rate, but the bank has a policy of not adjusting its rate by more than 1/4 per cent per week.

Loop-ten rates still remain high, reflecting mainly the high level of inflation, rather than the easing monetary conditions. Big companies are not greatly hopeful of much of a decline in the long-term rates and this partly explains why DuPont is coming to the market soon for the first time in more than 50 years, with a bond offering of a likely \$500m.

## Gilt-edged sales again lead market retreat

Both gilt-edged stocks and equities on the London stock market had a nervous day as inflation fears continue to undermine the investment mood.

There was fresh selling of Government bonds, although losses in the longer dates were reduced by some bear closing by traders needing stock to meet this week's selling orders. The medium dates had another difficult session, and closed with net losses as high as 50p.

Equities again took their lead from gilts, and began to turn lower at the end of the day, although gold shares provided a strong exception. The FT index closed one point down at 196.0.

The Stock Exchange confirmed yesterday that offices in the Exchange building can now be leased to o-o-m-bro firms. Hoblyn, the stockbroker firm that recently ceased trading, undersold to be asking £170,000 for its lease.

Investor's week, page 19

## £4m government aid for workers' co-op

R. W. Shakespeare

Northern Industrial Corporation

Nearly £4m worth of Government aid, announced yesterday, will help back another workers' cooperative scheme to a factory threatened with sure because of financial ills. This time the Government aid, announced yesterday, is by Mr Anthony Wedgwood Benn, Secretary of State for Industry, goes to 1,200 workers at the former Intercontinental Property Development (Industrial) factory at Kirkby, Liverpool.

The Government is putting £3.9m to support the workers' plan to continue running the factory under the new name of Kirkby Manufacturing & Engineering. Of this sum, £3m will be handed in the receiver, Mr Roger Cork, to see the new worker-controlled enterprise, which will take over the plant, equipment and other assets.

This is the third workers' takeover backed by the Labour Government. It put up about £3m for workers at the Scotch Daily Express after its closure had been announced, and early £5m for workers at the eriden motor cycle factory at Wrenbury.

At Kirkby the 1,200 workers agreed a six-in last July when Harold King, chairman of the

factory would have to close because of financial difficulties. Mr King, who called in the receiver, claimed that the Government had failed to honour an undertaking in respect of £1m financial backing for the company.

This sum was the second of the factory. Two years earlier the original owners, Fisher Bendix—part of the Thorn group—announced that the plant was to close. The workers decided to resist this move and after intervention by Mr Harold Wilson, in whose constituency it is situated, IPD agreed to take over and run the factory.

Then earlier this year came Mr King's decision to call in the receiver and again the workers reacted by staging a sit-in and demanding Government aid.

After an inquiry by Mr Benn they agreed to a work-sharing scheme, under which they would work short time and receive lower wages until the receiver had completed his examination and reported to the Government.

Under IPD's ownership the plant was producing a variety of products, including some marine tools for British Leyland, heating radiators and soft drink equipment.

Mr Jack Springs, the works' convenor who led the sit-in, said Mr Cork had agreed to stay on at the factory until the new enterprise had got under way.

## State research group's appeal to small companies

By Kenneth Owen

Technology Correspondent

An advertising campaign is to be launched next week by the National Research Development Corporation, the body set up by the Government 25 years ago to promote the exploitation of inventions in the public interest.

Its campaign is designed to encourage small and medium companies to enlist NRDC support in new and innovative developments. Many companies are reluctant to pursue development projects at the present time, the NRDC recognizes, because of the prevailing economic conditions.

Presenting the corporation's twenty-fifth annual report, Sir Kingsley Wood, chairman, said the NRDC had raised £1.2m for a number of years. Its present borrowings amounted to £21m, out of the £50m which was available.

The report shows a net surplus of £754,000, compared with £529,000 in the previous year. But overall income dropped from £3.46m to £3.06m because of a £2m fall in revenue from development projects.

A special report, *Innovation for Tomorrow*, will be published in *The Times* on Monday, to mark the 25th anniversary of the NRDC.

## CAA agrees 'reluctantly' to new fares

By Arthur Reed

Air Correspondent

Reluctant agreement to a new tariff of air fares proposed by the International Air Transport Association (IATA) for the period November 1 to January 31 has come from the British Civil Aviation Authority.

In a statement yesterday, the authority expressed "profound disappointment" that the airlines had abandoned at the last minute an advance purchase excursion (APEX) fares which were to have given cheap individual travel on scheduled air services this winter.

The authority added that it was also disappointed that the scheduled airlines had made no real progress in rationalizing and simplifying the structure of fares on the North Atlantic.

In approving the fares, the authority was conscious of the particular types or levels of fares, and that the proposals submitted to it were in any case of an interim character while further negotiations take place, the authority said.

It is the authority's hope that the opportunity will be taken in the negotiations to make real progress towards an improved North Atlantic fare structure for the remainder of 1975, including the introduction of APEX fares at least between those countries which would be ready to accept them.

The authority added that it had decided to confirm the Airlines' charges, rates and selling prices for advance booking charter (ABC) flights to North America which it announced provisionally on September 12.

The IATA airlines dropped their APEX fares proposal at the end of last week after the United States Civil Aeronautics Board allowed American charter airlines to charge low fares across the North Atlantic.

The IATA carriers are to meet again in Geneva on Wednesday in an effort to put together a fares package to run from when their interim tariff expires at the end of January.

## Inchcape in takeover talks with Anglo-Thai

By Adrienne Gleeson

In Inchcape's forestall speculation of the sort to which Australian Estates has recently been subject the boards of Inchcape and the Anglo-Thai Corporation have made an early announcement of talks which may lead to a bid being made for the latter company.

Anglo-Thai's shares, a strong market earlier in the year on rumours of just such a development, closed 30p higher yesterday at 90p. Sir Denys Lawson recently resigned from the boards of both Australian Estates and Anglo-Thai.

Inchcape and Anglo-Thai, who both have extensive trading interests in the Far East, have maintained a "friendly rivalry" over some years which has not prevented occasional talks between the two boards.

However, Inchcape had been deterred from a more serious approach by knowledge of the stake held by the Lawson empire, which the Department of Trade report three months ago revealed to be in excess of 60 per cent of the total equity.

Sir Denys himself was chairman of Anglo-Thai until May of this year, and announced his resignation from the board only at the beginning of this week.

Inchcape's approach, which was made towards the end of last week, is taken considerably more seriously on each side than previous initiatives. Lawson maintains that there has been no discussion of the price to be put on any bid—although Inchcape, whose borrowings were almost one and a half times shareholders' funds at the March 31 year-end, admits that it is likely to be offering paper. Inchcape's own share price ended yesterday 5p down at 182p.

Anglo-Thai's secretary, Mr J. W. O'Brien, says that there has been no significant change recently in the shareholdings in the group. Inchcape itself already has a stake of almost 10 per cent.

Anglo-Thai's profit record for the past two years has been extremely good, with the pre-tax total rising from £1.75m in 1971-1972 to £8.44m in the year to end-March, 1974.

## Australian car offers to Tokyo

Adelaide, Nov 1.—Reports that two Japanese car manufacturers had been asked to take over part of Chrysler's South Australian operations were misleading.

John R. A. Perkins, chairman of Chrysler Australia Ltd, said today.

He said that as part of its policy of flexibility Chrysler Australia had stated publicly it was willing to consider manufacturing four-cylinder engines on a joint basis with Japanese car importers at the company's Lonsdale factory in Adelaide.

A spokesman for Chrysler stressed that even if the Japanese declined to enter a joint agreement there was no question of the company being threatened.

"We have spare capacity at Lonsdale and we are merely trying to utilize that capacity", he said. "We have made it clear in the past we are willing to discuss any proposition to increase productivity."

No four-cylinder engines are produced in Australia at present.

## Cardiff steel hopes

A delegation of workers from the British Steel Corporation plant at East Moors, Cardiff, claimed after a meeting in London with Dr Mooty Finniston, chairman of BSC, yesterday that he was willing to change his mind about plans to close the works in 1976.

About 400 Cardiff workers, traders and businessmen held a demonstration in London in protest against the closure plan.

## Hull mediation offer

An offer was made yesterday by the Department of Trade, conciliation service in mediation in the deadlocked strike of 700 Hull trawler maintenance men which has been preventing some vessels from sailing for more than a week. The unofficial stoppage is over a pay issue.

## Yashica gets loan

Yashica, the camera maker listed on the first section of the Tokyo Stock Exchange, said yesterday it had obtained a 160m yen (nearly £250,000) emergency loan from Taiyo Kobe Bank to meet a trade bill that fell due late this week.

## Courtauld's still out

Faint hopes of an early return to work at Courtauld's 57m showpiece weaving mill at Skelmersdale New Town evaporated at a mass meeting of the 800 workers yesterday when they unanimously rejected proposals agreed between management and union officials after last weekend's layoff.

## Bakery men stay put

Fifty workers at the Spillers French Bakery factory at Workop, North, have refused to move to Nottingham following the company's decision to close the Workop plant, which it says, is being managed. The men have called in union experts to investigate the firm's books. They claim the plant is making a profit.

## Bureau for insurers

All insurers issuing motor policies in Britain covering compulsory insurable liabilities will have to join the Motor Insurers' Bureau by March 1, announced Mr Fred Mulley, Transport Minister, yesterday.

## MI craftsmen vote to stay out

Craftsmen at the Imperial Metal Industries plant at Uttoxeter, Birmingham, a subsidiary of ICI, voted to continue their strike over pay which began on October 7, a company spokesman said. Production at the plant, which makes copper-manufactured goods and uses titanium, has been halted since then, he added. It understood that no further terms of the strikers are announced.

## Vickers tells strikers: more lay-offs likely

There would be more lay-offs at Vickers Barrow shipyard unless 2,300 ancillary workers called off their week-old strike, a company spokesman said yesterday. The strike over a pay claim has brought the yard to a standstill and 4,700 workers have already been laid off. Vickers did not intend to increase its latest offer ranging up to £10.34 a week, a spokesman said.

## Exxon resumes natural gas sales to Spain

By Roger Vielvoe

Energy Correspondent

After a break of nearly three weeks, Exxon has resumed sales of natural gas in Gas Natural of Spain.

Shipments to the Spanish company and ENL of Italy stopped on October 10 after the Libyans increased the export price of gas from 0.49 cents per 1000 BTUs to 0.62 per 1000 BTUs. The European companies refused to pay the higher price. Exxon was refused permission to flare off the gas and had to close down its Libya mill. Fields as well as the Marsa el Brega liquefaction unit.

Gas Natural has agreed to pay the new Libyan price as an

interim measure and talks with both customers on long term pricing of Libyan supplies are continuing.

Shaikh Sabah as-Salim as Sabah, ruler of Kuwait, has called for rational and sensible oil sales between the oil-consuming and producing nations to solve the world inflation crisis.

He told the Kuwait Parliament after his return from the Arab summit conference in Riyadh that the future of international relations would depend to a great extent on the methods used in deal with oil problems.

Oil price increases were not the outcome of political considerations and therefore could not be lowered by political decisions.

"Responsibility for inflation lies squarely on the irresponsible policies in the economic and social fields that wealthy industrial nations have adopted since the end of the Second World War", he said.

A team of executives from European oil companies is in Teheran to discuss the current price of crude.

While the talks have been taking place, a widespread Iranian embargo has emerged that the Iranians have proposed a "benchmark" cost of \$9.85 a barrel for crude to the oil companies and a recommended retail price of \$10.35 a barrel.

Mr King's proposals have been criticized by OPEC's economic commission.

## Japanese steel cutbacks loom

Tokyo, Nov 1.—Japanese steel mills may cut production by 5 or 6 per cent from this month because of a shortage of steel-making coal, a slowdown in exports and the domestic slump, Nippon Steel Corporation said today.

Nippon said it was not certain that the industry would achieve the Trade and Industry Ministry's production target of 29.8 million tonnes in the last quarter of this year.

Major steel mills would have to cut output back to preserve coal stocks already held as a contingency against the American coal miners' strike expected to start on November 12.

## Alaska pipeline costs soar: \$250m finance agreed

The estimated cost of building the 789 mile Trans-Alaska pipeline, in which British Petroleum is a big shareholder, has risen from \$4,500m to \$5,980m (about £2,574m) as the Alyeska Pipeline Service Company said yesterday in Anchorage, Alaska.

Alyeska said the increase in estimated costs was based on a capacity of 1.2 million barrels a day—double the original pumping rate.

New York: Sobio/BP Trans-Alaska Pipeline Finance has registered here a proposed public offering of \$250m (£108m) of 25-year debentures through Morgan Stanley and Co. The finance company is owned 68 per cent by Sobio Pipeline Co, a subsidiary of Standard Oil (Ohio), and 32 per cent by BP Pipelines Inc, a BP subsidiary.

## Vic Hallam puts 460 workers on four-day week

Mr Hallam, the Nottingham system-building group, is to put 460 of its workforce on a four-day week. The company, which recently announced a four-day working week for its cabinet division, said yesterday that the decision had been unanimously agreed by a shop floor meeting.

Ironically, Hallam is one of the few groups in the country offering so-called mobile homes—dwellings which can be transported to the site and erected by crane—Building Regulation and Parker Morris standards, the accepted basis for busiding standards.

On Wednesday Mr Crosland, Secretary of State for the Environment, said the country might have to consider a crash programme for housing which could involve among other ideas the use of mobile homes.

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## Low the markets moved

The Times index: 77.57 — FT index: 196.6 — 1.0

### THE POUND

Bank	buy	1.84	1.79
Australia	5	44.25	42.25
Austria	Sch	90.75	88.00
Belgium	Fr	2.35	2.30
Canada	5	9.00	8.75
Denmark	Kr	11.15	10.85
France	Fr	6.15	5.95
Germany	DM	73.00	70.00
Greece	Dr	12.05	11.70
Hongkong	\$	162.00	158.00
Italy	L	72.00	70.00
Japan	Yn	6.30	6.10
Netherlands	Gld	13.10	12.75
Norway	Kr	63.50	61.00
Portugal	Esc	1.85	1.75
Spain	Pes	137.00	132.75
Sweden	Kr	10.40	10.10
Switzerland	Fr	6.85	6.60
US	\$	2.38	2.33
Yugoslavia	Dnr	42.00	39.75

Rate for bank notes only, as quoted by Reuters by telex. The European companies refused to pay the higher price. Exxon was refused permission to flare off the gas and had to close down its Libya mill. Fields as well as the Marsa el Brega liquefaction unit.

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## Truck plant halt puts factory on short time

By Clifford Webb

Workers at a Midland component factory have been put on a three-day week because of a month-old labour dispute which has closed British Leyland's heavy truck plant at Southall, Middlesex.

Rockwell-Madnessley of Alcester, Warwickshire subsidiary of Rockwell-Standard, the American group which is one of the world's leading axle manufacturers, said: "We carried on stockpiling axles for as long as possible."

AEC Southall, the plant which produces the Marathon, BL's new superheavy truck, has been since since October 4 on a pay dispute. The 2,500 workers employed there claim they have been locked out by management.

A spokesman for BL's truck and bus division said workers at AEC had been working overtime. "When they refused to work normally, their clocking in cards were withdrawn."

## Honeywell to cut Scottish workforce by a quarter

By Ronald Faux

More than 1,100 workers at three Honeywell factories in Scotland are to be paid off under a redundancy scheme announced yesterday. Staff is being reduced from 4,150 to about 3,000 at the works in Newhouse and Bellshill, because of falling demand for control equipment and computer products.

Redundancies are spread equally between management staff and hourly paid workers and will be completed by the year end. Honeywell has opened talks with the unions over what it describes as "generous redundancy terms in lieu of notice."

The company is to set up an office at the Newhouse factory in conjunction with the Department of Employment to help in the speedy re-employment of redundant workers.

After the Scottish staff reductions Honeywell's total workforce in Great Britain will be

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Estimated current gross annual yield 16.25 per cent.

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TRUSTEE: Midland Trust Corporation Ltd.  
INCOME will be distributed on 31st July and 31st November each year. An annual dividend of the value of the Fund plus VAT is declared from the income of the Fund. The dividend will be paid to the holders of the units on the date specified in the prospectus.

DIRECTORS: A. P. W. S. T. O. F. C. A. (Chairman); H. G. S. S. P. (Vice-Chairman); The Hon. Mr. J. R. G. (Director); P. C. D. O. (Director); A. C. B. C. (Director); B. C. C. (Director); M. E. G. (Director); M. A. C. (Director); F. C. A. (Director).

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Target Preference Share Fund

PERSONAL INVESTMENT AND FINANCE

Grouse Assurance and inflation

It is impossible to provide a genuinely inflation-proof assurance policy; quite simply, there is no inflation-proof investment fund into which a life office could invest policyholders' money to produce a guaranteed inflation-proof return.

Bonds

Nation Life policyholders left in the cold?

Amid a fanfare of publicity, the Government outlined its plans for the greater protection of insurance company policyholders within hours of the initial reference in the Queen's Speech.

course, somewhat different. The Government is clearly hoping that the industry will mount a private rescue operation.

However, there is as yet no flesh in respect of this section of the Act, and it is doubtful if the funds are receiving any kind of normal on-going investment management.

Bonfire Night: Insurance

Taking cover from Guy Fawkes hazards

Guy Fawkes celebrations usually give the fire brigade their busiest night of the year. And the bonfires which get out of control and the fireworks which set fire to buildings can prove very expensive to insurers.

Bonfire Night: Low

Remember, remember the Firework Code

It was no damp squib that caused chaos on fair day at Millbrook Park in 1773. One shepherd threw a lighted firework into the market house; he said he intended only to scare the assembled company.



Apartment, there the initial law is at present cor to leave the matter of works and bonfires.

Unit trust performance

Table with columns for Unit Trusts, Medium, and Income. Lists various funds and their performance metrics.

Table with columns for Friers House M, National Gp Prov, Allied First, etc. Lists various unit trusts and their performance metrics.

Gold Krugerrands

Why pay more? Coins offer the U.K. investor the only practical means of obtaining a holding in gold and Krugerrands have a particularly high gold content.

Round-up

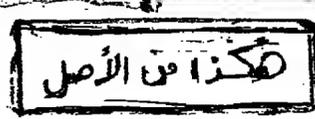
A rescue fund Indexed premiums

Toxation

Fixed loan instead of a pre-Budget overdraft

Insurance topics have dominated the news this week. As widely expected the Government has decided to introduce a compulsory protection scheme for the industry which became operational from Tuesday for companies which position the court for liquidation.

chargeable on March 26 is ignored. In addition the first £35 will be disallowable, just as it was last year.

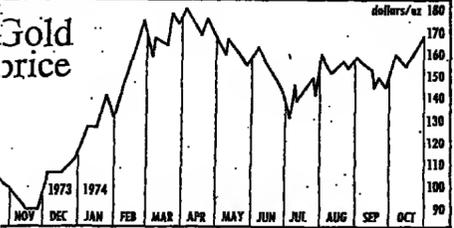


EDITED BY MARGARET STONE

FINANCIAL NEWS

Investor's week  
Gilt yields weak • Gold share choice

downturn in the gilt-edged market gathered pace last week... nationalization plans are published and specific terms emerge...



plunging along dispiritedly for more than 10 weeks, hubbion lately came to life last Friday... The cost position is well illustrated by the comparison of a marginal mine, such as Durban Deep...

Invicta loss blamed by Euro Ferries in forecasting decline

By Anthony Rowley  
European Ferries, the cross-Channel passenger and freight ferry group, is forecasting pre-tax profits of "not less than £4m" this year compared with £5.07m in the previous nine months...

Payout cut after poor result from Brit Debt

By Tony May  
"Very disappointing results have been returned by British Debt Services, and no final dividend is being paid (against 3.75p), leaving shareholders with a payment of 2.08p, against 5.75p."

Stock markets  
Uneasy day for shares

The stock market had an uneasy session yesterday, as the City investment community weighed the implications of the miners' dispute and the prospects for the mini Budget... Motherscare (120p) could find no support. But Marks & Spencer touched 124p at one time...

Glaxo accent on research not to be slackened

Opportunities for progress will continue to be available for Glaxo Holdings in spite of the world-wide uncertainties and the impossibility of predicting the short-term outcome, writes Mr Austin, chief chemist... Generally, reports on a year of progress both at home and overseas with special emphasis on the cephalosporins as well as the topical steroids and the anti-asthmatics...

Molins pays £8m for US paper machine maker

Molins, the United Kingdom precision engineering group chiefly engaged in producing cigarette making machines, has concluded an £8.6m deal for the takeover of the American division of the Harris Corporation in the United States... Langston is one of the world's leading manufacturers of machines for the production of corrugated paper and Molins, through its subsidiary Masson Scott Thirrell, has been making Langston machines.

T & C Properties lose almost £600,000

The freeze on business rents, which meant that £275,000 in extra rental income was lost, together with higher interest charges and a reduction from £139m to £310,000 in trading profits combined to bring about a loss last year at Town & Commercial Properties... again achieved a record result in spite of a loss in bank interest of £47,000 to £105,000.

Reorganization at Callender

George M. Callender plans to reorganize his capital by making a four-for-five scrip on its 10p ordinary shares, splitting its 50p preference shares into 10p units and converting them into 10p ordinary shares... The capital will then be 130 million ordinary shares and the reorganization for the Engle & Rolf acquisition will be 5.44 million new shares.

Profits halved at Ulster TV

A year ago Ulster Television gave warning of the effects of higher costs and in the year to July 31 profits before tax were halved from £383,000 to £189,000... Revenues after agents' commission and discount rose from £2.4m to £2.8m.

Higgins Brewery

With a rise from £1.09m to £1.2m, Higgins Brewery has... MERGER CLEARED  
Proposed merger between Armitage Shanks Group and Ladyslip Industrial Holdings nor to be referred to Monopolies and Mergers Commission.

Dean Smith-Monarch

The Yorkshire-based group, Dean Smith & Grace, has been acquired by Monarch Machine Tool of Ohio—a machine tools manufacturer... Dean Smith had sales last year of £2.8m and the present extent until February 1975. The management and operations will remain unchanged.

Wall Street

New York, Nov. 1.—Cross currents of economic news produced uncertain moves on the New York stock exchange today... Sugar at highest yet  
New York, Nov. 1.—WORLD SUGAR prices hit a 10-year high today in a row after a one-cent advance over the availability of supplies this season...

SE surplus down

The half-yearly report of the Stock Exchange, London, shows that the surplus before taxation was down from £603,000 to £272,000 in the six months to September 28. In the last full year to March 24 there was a deficit of £606,000.

Wm Reed-St Clements

Latest developments with William Reed & Sons, the Leeds-based man-fibres group, is that a wholly owned offshoot of St Clements Estates with a further purchase of some 163,000 ordinary has increased its stake to 16.93 per cent of the equity... Wm Reed-St Clements  
Latest developments with William Reed & Sons, the Leeds-based man-fibres group, is that a wholly owned offshoot of St Clements Estates with a further purchase of some 163,000 ordinary has increased its stake to 16.93 per cent of the equity.

Weeks Associates

After interest up from £30,000 to £85,000 taxable profits of Weeks Associates fell by £35,000 to £103,000 in the half to July 31... The board feels it unwise to make a forecast but expects that full profits will at least match the £213,000 of the previous period.

Latest dividends

Table with columns: Company, Dividend, Yield, etc. Includes entries for Rank NSW, Writ Debt, European Ferries, etc.

Optimism from Adwest after bright opening

Mr F. V. Waller, chairman and managing director of the Adwest Group, told the annual meeting that the manufacturing companies had started the year well with higher turnover and profits in the first three months... The order book was 35 per cent ahead of a year ago, unless there was a further dramatic deterioration in the economy he looked forward to another successful term.

Bear Brand may seek partner

The present plant of Bear Brand is not sufficient to guarantee a return to reasonable profits and in the present climate of uncertain demand and cash restrictions the board does not feel justified in increasing borrowings for investment in plant... Therefore, says Mr P. Rougier, chairman, in his review, the future may depend on finding a suitable partner to capitalize on the brand name.

Retired? Your house could provide you with cash for Christmas.

Christmas can be a difficult time if you're retired. You want to be generous to your family and friends, but prices are rising so fast... A Home Income Plan could be the answer. This enables you to use the current value of your house to give you a regular income for life and, in certain circumstances, a lump sum too.

Form for Julian Gibbs Home Pension Planning Ltd. Includes fields for Name, Address, Telephone, and Estimated House Value.

reed smaller people to live on resources



populated entirely by Little Englanders... able to serve our own resources... amuniquo No 3, giving additional details of the new military slogan "Reed, Little"

anybody of normal twentieth century size and shape who lives in an Elizabethan house can testify. Similarly, she maintains in support of her hypothesis that the Japanese economic miracle started to slow down only when the Japanese started growing taller... Society cannot be burdened with the task of providing for outside personnel whose very existence upsets the delicate balance of supply and demand.

Francis Kinsman

FINANCIAL NEWS AND MARKET REPORTS

Issues & Loans

Charterhall rights issue

Charterhall Finance, the oil and mineral exploitation and property finance and development group, is raising £500,000 by way of a rights issue.

Eurobond prices (midday indicators) a STRAIGHTS

Table listing Eurobond prices for various countries and maturities, including columns for Bid, Offer, and Old Offer Yield.

Commodities

Peak sugar price paid by Hungary

Reports reaching the London SUGAR market suggested that Hungary had paid up to \$1,300 a ton c and f for a cargo of prompt white sugar from a French house.

Money Market Rates

Table showing money market rates for various instruments like Bank of England Minimum Lending Rate, Treasury Bills, and Prime Rate.

USA price, 64.00 cents per lb; 17-day average, 40.50c. COPPER wire bars raised \$3.00 a pound, to \$1,000.00.

Foreign Exchange The dollar fell back on foreign exchanges yesterday afternoon following the drop in a prime rate to the lowest level since the end of April.

French francs improved to 4.6580 from 4.6925. Yen weakened to 300.42 to the dollar from 300.42 to the dollar from 300.00.

Discount Market London discount houses had little difficulty in tracking down credit-eligible pools of liquidity yesterday.

Foreign Exchange

The dollar fell back on foreign exchanges yesterday afternoon following the drop in a prime rate to the lowest level since the end of April.

First National City Bank's move, curtailing the prime rate to 10.75 per cent, was generally regarded to be just the first of many cuts by American banks that could take the prime to a forecast 10 per cent by the end of the year.

Discount Market

London discount houses had little difficulty in tracking down credit-eligible pools of liquidity yesterday.

Recent Issues

Table listing recent issues of various companies, including company names, issue sizes, and dates.

BUSINESS NOTICES

READERS are recommended to take appropriate professional advice before entering obligations.

TRANSFER BOOKS

ELECO HOLDINGS Limited Notice is hereby given that the Ordinary Share Transfer Book of the Company will be closed on the 10th October, 1974.

LEGAL NOTICES

NOTICE is hereby given pursuant to a 1974 of the TRUSTEE ACT, 1925 that the TRUSTEE of the Estate of the late Mrs. M. J. ...

APPOINTMENTS GENERAL VACANCIES

INTERESTING AND ENJOYABLE EMPLOYMENT offered to persons wishing to work in busy WESTMINSTER BOOKSHOP.

Macdonald Martin

The board of Macdonald Martin Distillers predicts that profits this year should exceed £1m for the first time.

The Times Share Indices

Table showing share indices for various categories like All-Share, Industrial, and Government.

Spot Position of Sterling

Table showing spot position of sterling for various currencies like New York, Amsterdam, and Zurich.

Authorized Unit Trusts

Large table listing authorized unit trusts, including names, managers, and performance metrics.

Forward Levels

Table showing forward levels for various currencies and commodities.

Bank Base Rates

Table listing bank base rates for various banks like Barclays, HSBC, and Lloyds.

BANK OF NEW SOUTH WALES

NOTICE IS HEREBY GIVEN that a Final Dividend at the rate of 7.144 cents per share Australian currency for the half year ending September 30, 1974, is to be declared by the Board of Directors.

Bank Base Rates

Table listing bank base rates for various banks like Bank of America, Citicorp, and Chase.

BANK OF NEW SOUTH WALES

NOTICE IS HEREBY GIVEN that a Final Dividend at the rate of 7.144 cents per share Australian currency for the half year ending September 30, 1974, is to be declared by the Board of Directors.

Insurance Bonds and Funds

Table listing insurance bonds and funds, including names and details.

Outshore and International Funds

Table listing outshore and international funds, including names and details.

Public and Educational Appointments

DOVER COLLEGE A YOUNG GUAUATE RESIDENT ASSISTANT HOUSEMASTER

TEACHERS OF BRAZILIAN PORTUGUESE

Required immediately for leading London language school. Applicants must be native speakers of Brazilian Portuguese.

YOUNG MAN

aged 25-30 required by leading Japanese trading company in the City for a post in machinery department involving import and export documentation.

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Technical translators, especially in the field of engineering, electronics, and medicine, are required.

SENIOR RESIDENT ARCHITECT

correlation and furnishing of all drawings and specifications. Applications to: Mr. J. H. ...

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FOR OVERSEAS EMPLOYEES! Major oil-well drilling contract company has career opportunities for accountants with 2-30 years experience.

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SAVE & PROSPER GROUP

Stock Exchange Prices

Gilts remain nervous

COUNT DAYS: Dealings Began Oct 28. Dealings End Nov 8. Contango Day, Nov 11. Settlement Day, Nov 19. Forward bargains are permitted on two previous days.

The changes shown below are compared with Wednesday's prices

For Really Discerning Drinkers HIGH & DRY Really Dry Gin

Main table containing stock exchange prices for various categories: ISH FUNDS, COMMERCIAL AND INDUSTRIAL, MONWEALTH AND FOREIGN, AL AUTHORITIES, FOREIGN STOCKS, DOLLAR STOCKS, ANKS AND DISCOUNTS, EVERETS AND DISTILLERIES, FINANCIAL TRUSTS, INSURANCE, INVESTMENT TRUSTS, OIL, PROPERTY, RUBBER, and MISCELLANEOUS. Each entry includes company names, prices, and percentage changes.









The second and final part of a Special Report to mark the twentieth anniversary of the start of the Algerian revolution

# Algeria II

مَكْزَا مِنْ الْأَصْلِ



## Howing oil income to reap future jobs

avid Blake

Algeria's economy has been the success stories of the last few years. Starting with its oil boom, the country has seen a rapid increase in its gross domestic product. The government has invested heavily in infrastructure and social services, leading to a significant improvement in living standards. However, the country's economy remains heavily dependent on oil exports, which poses a long-term challenge. The government is now focusing on diversifying its economy and creating more jobs to ensure sustainable growth.

state. Its production, and its reserves, mean that in the long term it cannot hope to have riches on the scale of Saudi Arabia or Kuwait. Its large population, which is growing rapidly, means, in any case, that the country will have to find a large continuing supply of jobs for its people in the years ahead.

Because of this the country's economic policy in the post-independence period has been dominated by a single-minded zeal to get development under way. "We sow oil so that one day we shall reap factories" is how the Algerians describe their policy, and their ability to persuade a population, which for the most part still has very low living standards, to accept the sacrifices involved is a tribute to their success in persuading ordinary people that the effort, often portrayed as a continuation of the struggle which brought them their freedom, is worth while.

In order to permit the large-scale investment programmes which have created the country's heavy industrial base, living standards have been held down by a deliberate policy of austerity. For the 60 per cent of the population who live on the land, and who between them produce only about 10 per cent of the country's gnp, such a policy enforces itself. But in the cities, where the jobs in the factories and administrative offices are, it is backed up by strong government measures.

The maximum income which anyone can earn is set at 2,000 dinars (£220) a month, with the addition of some "perks", such as a car and a house, for the very well-off and special bonuses in the nationalized industries. On this kind of salary it is possible to have enough

spare cash to deal better than low-paid workers; but none the less the gap between the top and bottom is less than in many countries, and it is down on the consumption of what the Algerians regard as luxuries.

This restriction is further enforced by a ban on the import of some luxuries, which would use up precious foreign exchange, and a cripplingly high import duty and tax on others. These measures have not only reduced the amount of money which people have to spend; they have also convinced many of them that they would be better off keeping their money than spending it so that Algerian families are of quite low incomes tend to save far more than their British counterparts.

The aim of all this sacrifice has been industrialization, and it has proceeded with the kind of tidiness and order which is to be expected in a centrally controlled economy. In the first stage the Algerians have concentrated on building up their basic industries which will provide the material which will be transformed at a later date.

As well as having a huge investment in powerhouses, they have built steelworks and fertilizer plants, and have made a major effort to capitalize on their limited natural resources other than oil.

This was the fundamental choice of the development plan between 1963 and 1973 and, as the plan is put into effect over the next few years, the choice was confirmed by large increases in the investment in industries which were made possible by increased revenues from oil. By the end of the plan, industry had received something like 60 per cent of all investment compared to the 45 per cent originally forecast. The total spending had gone up, too, from the expected 28,000m dinars to just under 37,000m which, even allowing for inflation, represents a considerable increase.

The concentration on industry, and especially heavy industry, which often employs little labour, rather than the traditional strategy of aiming for such things as labour-intensive component manufacture, met with criticism from some observers. They pointed out that agriculture remained the mainstay of most people's lives, and that it was desperately in need of reform; and yet it received only 15 per cent of investment.

Against this, the Algerians point out that the farm sector employs so many small growers that any kind of change is bound to be a slow job. It is far more difficult than ordering a new steelworks to be built by a foreign contractor who will import large numbers of skilled engineers to produce a plant which can be handed over at the end of construction on a "turnkey" basis.

Although the country's planners are firmly convinced of the correctness of their decisions in the first plan, it is significant that in the plan for the next four years much more attention is given to just those sectors which have proved weakest up till now.

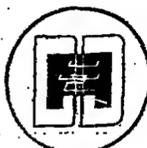
Agriculture and, even more important, the development of the country's scarce water resources to benefit agriculture, get high priority. So does the building of more homes, something which has been largely neglected until now and where the cities are feeling the pressure of terrible housing shortages.

The fundamental outline of the past remains the same with investment in industry expected to triple compared with 1969-73, though this time with an increasing emphasis on finding use for the steel and other heavy material that is beginning to flow out of the plants built during the first stage. Although the outline remains the same there are signs of a slight softening. Private consumption is expected to rise faster than gnp, a recognition that the rise in oil prices means that the country can afford to relax its austerity just a little because the oil price increases mean that the terms of trade have turned, for the moment at least, in its favour.

Much of this increased consumption will take the form of better social services which, in spite of efforts by the Government, still have a long way to go before they reach an acceptable level. But there are also likely to be increases in the sales of consumer goods, some of which, it is hoped, will be produced in Algerian factories, such as the television plant scheduled for Sidi-bel-Abbes.

Making this kind of adjustment to a more advanced economy will put further strain on the nation's resources. In some ways it is easier for a country to live in centrally planned austerity than in a more complex economic system. But the change will be a slow one, at least in the initial stages. Severe restrictions on living standards will remain.

Most Algerians are still sure that this sacrifice is worth making.



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The Algerian Development Bank has a capital of 100 million Dinars, thus disposing of substantial stable funds.

Within the overall context of the country's economic development, the Algerian Development Bank is responsible for:

1. formulating plans for the financing of projects selected by the Four Year Plan, to be implemented by Algerian companies and other public bodies;
2. distributing long term credit to investment projects in every sector of the economy except building of houses and farming, which are financed by other banks;
3. participating in the mobilisation of medium term credit;
4. working closely with Algerian companies and public bodies;
5. maintaining a Secretariat for C.N.I. (National Investment Commission), thus

effectively contributing towards the promotion of wide-scale private investment in furtherance of the country's general economic policy.

The Algerian Development Bank is the instrument of financial and economic cooperation with Arab and African states and financial institutions.

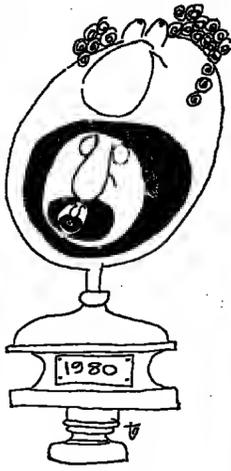
It maintains close contact with Arab financial institutions with a view to obtaining their support for development projects in Algeria. It consults with these institutions on possible joint intervention as part of plans for cooperation with other states, especially in Africa.

It is closely linked with institutions in African states and helps to finance development and social projects.

The Algerian Development Bank is also a partner of international financial institutions.

# "SOGEDIA"

EIGHTEEN MILLION CUSTOMERS TO PLEASE BY 1980



By 1980, "SOGEDIA" will be meeting the needs of a population of 18,000,000, with high standards and high purchasing power.

It will be supplying them with sugar refined oil margarine and vegetable fats soap products fruit and vegetable juice and preserves brandy

To satisfy these needs, "SOGEDIA" has set itself the following goals:

- improve the quality and diversify the range of its products
- establish an efficient, rational internal and external distribution network

"SOGEDIA" has an investment programme of 647,054,000 Dinars, which will be used to:

- set up 15 new factories
- expand existing plant
- organize training and refresher courses for executive staff
- conduct research and development work

Today "SOGEDIA" operates 21 modern factories, each with its own laboratory linked with a central laboratory testing products to international standards. Its turnover is 398 million Dinars and it employs more than 5,000.

In 1973, "SOGEDIA'S" direct exports amounted to a value of 18.4 million Dinars.

EN 1980  
NOUS AURONS  
18 MILLIONS  
DE CONSOMMATEURS  
EXIGEANTS

En 1980, la "SOGEDIA" devra répondre aux besoins d'une population de 18.000.000 d'habitants très exigeants et disposant d'un pouvoir d'achat élevé.

Elle devra les approvisionner en :

- Sucre
- Huiles raffinées
- Margarines et graisses végétale
- Savons et savonnettes
- Jus et conserves de fruits et légumes
- Eaux de vie

Pour cela, elle s'est fixé des objectifs :

- Améliorer la qualité et diversifier la gamme des produits
- Créer un réseau de distribution intérieure et extérieure efficace et fonctionnel

Un programme d'investissement de l'ordre de 647.054.000 DA qui se traduit notamment par :

- La création de 15 nouvelles usines
- L'extension des unités existantes
- La formation et la recyclage des cadres
- Des études et recherche de réalisations.

Aujourd'hui la "SOGEDIA" gère 21 usines modernes disposant chacune d'un laboratoire, lequel est relié à un laboratoire central qui contrôle les produits suivants les normes internationales. Elle réalise un chiffre d'affaire de 398 millions de DA, et emploie plus de 5.000 personnes.

Elle a exporté directement, en 1973, l'équivalent de 18.4 Millions de DA.



**SOGEDIA**  
SOCIÉTÉ DE GESTION ET DE DÉVELOPPEMENT  
DES INDUSTRIES ALIMENTAIRES



The port of Oran, second city of Algeria and a vital international port to which pipelines bring crude oil and natural gas from the desert. Built by the French, it is now a rich commercial city.

## Increasing foreign investment in rapidly growing economy

by Alan Rake  
editor, African  
Development

Even before the oil boom Algeria was one of Africa's most rapidly growing economies. The gross domestic product increased by 11.1 per cent last year and at about 10 per cent over the period of the four-year plan. But since then has come the oil price explosion. Algeria still depends for 85 per cent of its exports on oil and gas. With these prices tripled, it can look forward to a period of remarkable expansion.

Algeria is a country where development plans really have significance. The whole socialist economy is carefully meshed into the planning system. The last four-year plan from 1970-73 actually outstripped its planned level of investment of 26,000m dinars and spent 33,000m dinars, a truly remarkable achievement in a continent where most development plans are banished to the bookshelves after a year or two of unfulfilled targets.

The 1974-77 development plan, which should have come into operation on January 1, was adopted only on May 14. The reason for the delay was not lethargy on the part of the Algerian authorities but their desire to work out accurately the effects of the huge oil price increases on the 51 million tons of oil which Algeria has produced in 1973 and the increased revenue which would be injected into the Algerian system over the years ahead.

The Algerian economy is still in its period of maximum growth. With its tight planning policies, restrictions on consumption and high investment targets, it is one of the few oil producing states that can absorb petroleum price increases and put them to immediate productive use. Algeria hopes that, by continuing to invest at very high levels in the 1970s, it will build its own self-sustaining momentum as the economy starts to take off in 1980. Meanwhile, very good business can be done by firms prepared to provide the goods, financial services and training that Algeria needs.

Algeria's plans for 1974-77 envisage investments of 54,000m dinars and for 1978-80 of 46,000m dinars. Before the oil bonus, the planners were sufficiently confident to contemplate a balance of payments deficit of more than 1,000m dinars by 1977, gradually changing to a surplus of some 500m dinars by 1980. By then imports will be worth more than 10,400m dinars.

Meanwhile, outside confidence in the economy has been reflected in the ever-increasing volume of foreign loans, funds and investments flowing into the country. The list of foreign loans in Algeria negotiated in 1973 is shown on the right. In addition, there were 200m Algerian dinars from Libya (about \$53m), 500m Belgian francs (\$13m) and two loans to buy British goods from the Export Credits Guarantee Department of \$55m.

Mr Ismail Mahroug, Algeria's Finance Minister, points out that these loans

are not being used for consumption but for productive investment. He expects that half the investments for the 1974-77 plan will come from loans. Public debt stands at 7,900m dinars, about 30 per cent of the gross national product, and it is the Government's intention to maintain this level.

As most of these loans have been obtained on a long-term basis with pay-back periods ranging from 10 to 35 years (41 times when there will be maximum earnings from gas and oil), there seems little indication that Algeria has over-reached itself. The inflow of foreign loans has allowed a healthy rise in foreign exchange reserves to \$1,876m at the end of June, 1974.

Algeria's trade has been growing at an impressive figure of 15 per cent a year. It was in deficit until the Organization of the Petroleum Exporting Countries oil price increases last autumn, but this year a surplus will almost certainly be earned, despite the sharp rises in the price of imports.

In 1973 sharp rises in the price of industrial goods, iron and steel, transport equipment, engineering products and foodstuffs cost Algeria more than 1,500m dinars. Algeria is still heavily dependent on imports of cereals, sugar and milk. In 1973 it paid four times as much as 1972 for its wheat, three times more for timber and more than twice as much for its iron, steel and cement.

But price rises in oil and

Feb. 1	\$20m	European, Canadian, Japanese banks.
Mar. 28	\$300m	Eurodollar: Six US banks (for 1974-77 plan).
June 1	\$100m	Canadian banks and Canadian development agency.
June 18	\$24.5m	World Bank (roads, irrigations etc.).
July 3	\$130m	Orino group (London).
July 3	\$20m	Mitsubishi (for industrial development).
July 28	\$20m	Beirut money market.
Aug. 1	\$50m	Wells Fargo bank US (for State Construction Co.).
Oct. 1	\$50m	Japanese banks (Sumitomo leading).
Nov.	\$40m	French, European, Japanese banks.
	\$250m	First Boston, Chemical and Citicorp banks for Sonatrach projects, including LNG plant.
Total	\$1,004.5m	

gas more than kept pace with these increases and the investment. He expects that the overall balance of trade situation by deliberately restricting the expansion of oil exports to some 51 million tons, compared with a projected 56 million tons in 1973, in line with OPEC oil producers' requests to hold production down and keep price levels up.

The tables indicate the direction of Algerian trade with France, still by far the most important supplier, though its share of trade has been steadily dropping over the years, with West Germany, Italy, Britain and Russia expanding rapidly to fill the gap.

In recent years Algeria has been one of Britain's fastest growing export markets, particularly for machinery, transport equipment and capital goods of all kinds. In 1969 Britain exported £3.5m of goods to Algeria. By 1973 the figure had shot up to £37.3m against even higher imports of £45.7m.

With the oil price explosion, imports from Algeria are expected to double during 1973-74 and the trade imbalance may swing further in Algeria's favour. However, for the first seven months of this year, British imports from Algeria totalled £22.8m (of which £16m was spent on oil) while exports from Britain during this period were £28.2m, giving a trade balance in Britain's favour.

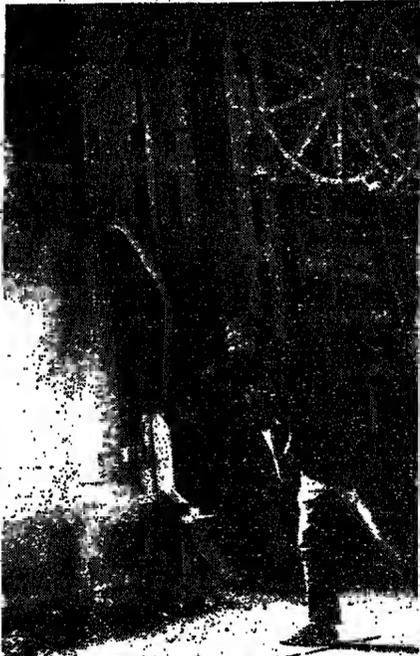
Algeria has a deliberate policy of reducing its trade dependence on France and shopping across the world for its imports, often showing more interest in quality than in prices.

British salesmen report that five years ago French goods almost had a monopoly of the Algerian market. Then, for two years, there was a switch to the Soviet block. Now it is the turn of Britain and the European Community countries. Today much military communications equipment, originally bought from Russia, is being replaced with the British equivalent. British firms are tendering for nearly £500m of important contracts in diverse fields.

Algeria is an avowedly socialist state and its economy is organized almost entirely under the state-owned system. The executive arm of the economy consists principally of 45 state companies (sociétés nationales) and 16 agencies (offices nationaux). These vary from the glass Sonatrach, which claims to be the oil's largest oil company in the world, to quite small companies.

Each state company has a quite clearly defined range of activities and under general policy guidelines a considerable degree of autonomy. Imports, exports and foreign exchange are closely and completely controlled by these state organizations. An increasing percentage of imports has been monopolized by law.

Mechanical products, vehicles, motors and machinery may be imported only by or very rarely with the permission of Sonacome; steel may be imported only by SNS and so on. The export services and promo-



The state is transforming the iron and steel works for local industrial use.

tions before getting into the Algerian market are being and tedious, but once the firm has established contacts one project leads to another.

The Algerian Government makes a habit of putting out all its projects to international tender. Even the smallest of tasks are handled in this way, but frequently it is the local firms which know the people and problems concerned, that gets the business.

Esams, the Elliott Automation subsidiary, has won a contract for the study of Algerian ports and has been working on the project for the past two months. The technical advice given could lead to other British contracts in quay building, water engineering and heavy equipment. Another study that will soon be completed will be of the oilfield cold storage requirements, for fruit and vegetables in particular.

PA Management Consultants is advising the state corporation Sonelgaz on the national electricity and gas requirements. W. S. Atkins and Partners, of Epsom, has won an important consultancy for the extension of the El Haggar steel works at Aouaba. This is a contract involving some 150 British engineers and is valued at some £25m.

Birley Engineering, of Glasgow, is also involved in this El Haggar iron and steel complex. It is helping the state corporation SONTRACH to transform the iron and steel for local industrial use.

Parsons & Whittemore Lyddon recently signed a contract to build a paper pulp factory no a turnkey

basis at Nazrec, near S at a cost which is likely to exceed the expected £10m. The firm has won a second management contract, bringing its total of contracts to £1.25m. The worth £500,000, is from state oil corporation track and covers capacity on two major processing lines at Sk

A British Embassy spokesman in Algiers saw opportunities for goods exporters, financial services and consultants of all types. He cited the case of Harris-Intec which sold its machinery display during the first of the recent Algerian fairs, and the Algerian official who slept overnight in his car outside the embassy to the fair so that he could rush in and buy a machine from the Colchester Company the moment doors opened.

British businessmen are advised to approach Algerian market with an open mind and consider determination. It is essential to do business by visit and to continue keep in touch until a breakthrough is made.

Algerians are very tough and enthusiastic. They have chosen to develop their own economy on their own terms and realize they need help. But have learnt to distinguish between the unreliable those who offer good quality and service. Negotiations in Algeria take rigid bureaucratic have to be careful.

But, according to Britton who has been in business there for 17 years, once agreement has been reached on the Algerian side they will always retain their part of the contract.

Algerian state organizations should always be treated seriously when dealing against international tender documents. They are prepared by the state corporations over the years to very precise information.

The embassy gives six advice to respect requirements for specific formalities of present and the standards required. Once contracts are signed with Algerian state corporations there are some long delays before the approval for import finance, and so on, supplying technical services to Algerian clients, even state organizations, advised to ensure that approval for the overseas transfer of foreign currency has been obtained by customer from the central commercial banks before the contract is made.

With the exception of a few items, all goods subject to various import controls. They may require import licences and from the state organization or monopoly concern. Most goods can be imported only by the state companies which are not in a category require prior authorization granted by Ministry of Commerce according with a quota. This authorization usually entitles the holder to obtain the necessary foreign exchange.

مركزنا من الأصل

# SONAREM

## The story of a liberation

When on May 6, 1966 the Algerians took into their hands the fate of the mining industry, this was an act of liberation.

The liberation of men—miners buried in the bowels of the earth, the subjects of exploitation, became management.

An economic liberation since national wealth would henceforth be used solely for economic development and to raise the standard of living of the people. An instrument was needed to take charge of this basic sector of the country's economy and as a result SONAREM was set up and given the substantial funds needed to finance its ambitious plans for the development of its mineral resources. Today SONAREM employs

13,000 people and invests 20 million dollars yearly in its programmes.

During the first four-year plan which covered the years 1970 to 1974 SONAREM extended its investigative work to the whole of Algerian territory using aeromagnetic and radio metric survey techniques and prospecting all areas where results seemed promising. Its vast programme will enable it to increase mining output by 15 per cent per year for the next few years by exploiting existing deposits more extensively and opening up new mines.

The increased mining output will first be used to meet the growing requirements of the Algerian home market which is expanding

rapidly as a result of the establishment and development of secondary industries, while any surplus production will be exported.

SONAREM is at present keenly aware of the need to raise the standard of living of the people who make possible the acceleration in growth in this sector of the economy and has implemented successfully principles of socialist management. At SONAREM the workers are the management.

From the moment it was first set up, SONAREM has given absolute priority to education and training. Its efforts in this field have borne fruit and to date have produced more than 2,000 engineers and technicians of all classes.



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Under the second Four Year Plan, 1974-1977, the sum of 110,000m Dinars has been earmarked for public works, a sector in which Crédit Populaire d'Algérie has extensive specialist experience. All public works contractors and similar concerns have exclusive arrangements with our branches for their payments and the Bank is now using its expertise in the private sector as well.

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**Telex: CREPOPAL 52.512  
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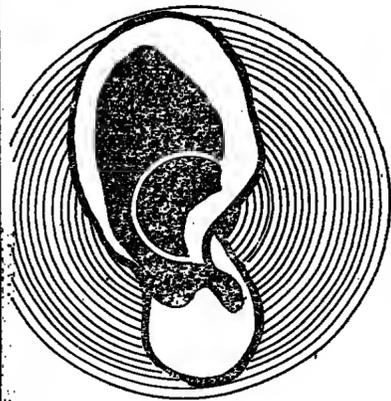
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Le deuxième plan quadriennal 1974/77 prévoit 110 milliards de dinars de Travaux de Réalisations. Le Crédit Populaire d'Algérie a une connaissance approfondie de ce secteur. Toutes les Entreprises de Travaux Publics et assimilées du Secteur National sont domiciliées à titre exclusif auprès de nos guichets. Cette spécialisation, s'élargit au secteur privé.

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TÉLÉVISION  
ALGÉRIENNE**

21 Boulevard des Martyrs, ALGIERS

Broadcasts in Arabic from 1 September 1974 to 30 April 1975.

**To West Africa**  
11,810 kHz - 25.04m  
21,565 kHz - 13.91m  
15,160 kHz - 19.78m  
17,790 kHz - 16.86m

**To the Middle East**  
11,965 kHz - 25.07m  
17,745 kHz - 16.90m  
9,685 kHz - 30.98m  
15,370 kHz - 19.38m

**International network**  
11,910 kHz - 25.18m  
17,825 kHz - 16.83m  
15,420 kHz - 19.46m  
21,715 kHz - 13.83m

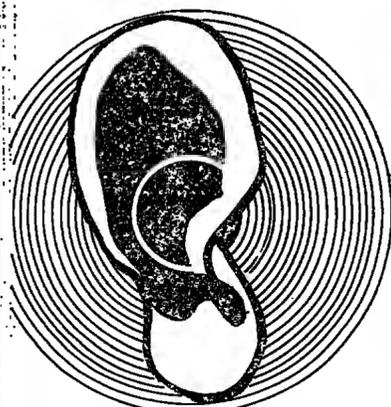
**To Europe—long wave**  
254 kHz - 1,200m

Standard national network covering Northern Algeria.

1974—a network of transmitters covering the southern part of Algeria is being established, linked by satellite.



**TUNE TO R.T.A. . . .  
... TUNE TO THE VOICE OF ALGERIA**



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TÉLÉVISION  
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(Sigue)

21 Boulevard des Martyrs-ALGER

Emissions en langue arabe pour la période allant du 1 Septembre 1974 au 30 avril 1975.

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11 810 kHz - 25.04 m  
21 565 kHz - 13.91 m  
15 160 kHz - 19.78 m  
17 790 kHz - 16.86 m

**A destination du Moyen-Orient**  
11 965 kHz - 25.07 m  
17 745 kHz - 16.90 m  
9 685 kHz - 30.98 m  
15 370 kHz - 19.38 m

**Chaîne internationale**  
11 910 kHz - 25.18 m  
17 825 kHz - 16.83 m  
15 420 kHz - 19.46 m  
21 715 kHz - 13.83 m

**A destination de l'Europe — Grandes ondes**  
254 kHz - 1 200m

Réseau national unifié sur le nord du pays.

1974 — Implantation d'un réseau d'émetteurs dans le sud du pays — liaisons par satellite.



**ÉCOUTEZ LA R.T.A. . . .  
... ÉCOUTEZ LA VOIX DE L'ALGERIE**

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D'OUTILS, DE QUINCAILLERIE ET  
D'EQUIPEMENT MENAGER**  
**TRADE: GOOD MANAGEMENT  
AND GOOD POLICY**

Good management and good policy: a policy of supplying the Algerian market with small hand tools for farming, building, engineering, carpentry, electrical work and other sectors;

a policy of meeting every domestic and community need for household articles, tableware, and kitchen equipment—china, glass, cast iron, iron, steel, aluminium and enamelled items!

To implement this policy, ENC has planned for investment amounting to more than seven thousand million Dinars.

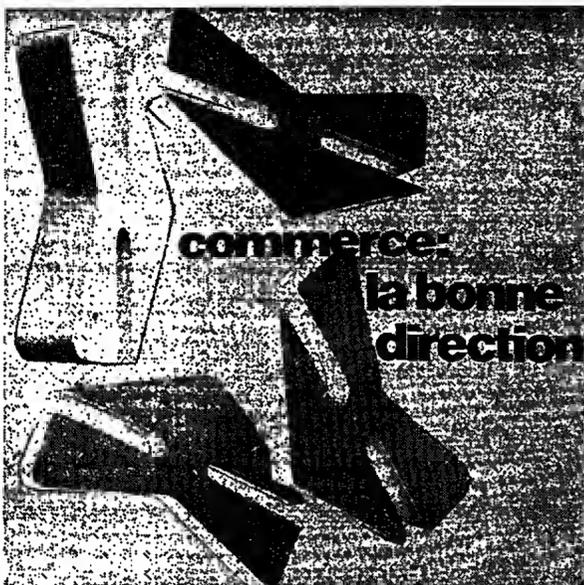
Its imports in 1973 totalled 228 million Dinars;

Its imports in 1974 will total 272 million Dinars.

Its main objective, nonetheless, is to distribute goods produced in Algeria.

Through the persistent efforts of ENC, Algerian products are used in every home and every community in the national territory.

As Algerian output increases over future years, the surplus will be exported. ENC will be responsible for marketing Algerian domestic goods all over the world!



**ENC**  
**ENTREPRISE NATIONALE DE COMMERCE,  
D'OUTILS, DE QUINCAILLERIE ET  
D'EQUIPEMENT MENAGER**  
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DANS TOUS LES SENS**

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Pour atteindre ses objectifs, L'ENC a programmé plus de sept milliards d'investissements—

A l'importation, elle a réalisé 228 Millions de DA en 1973 Et 272 Millions de DA en 1974.

La diffusion de la production Nationale en ces matières est, et demeurera son principal objectif.

Grace à l'action quotidienne de L'ENC, cette production est diffusée dans tous les ménages et les collectivités à travers le territoire National—dans l'avenir, au fur et à mesure que cette production augmentera et que des excédents seront dégagés: L'ENC aura à charge de les commercialiser à travers le monde!

**CAISSE ALGERIENNE d'ASSURANCE  
et de REASSURANCE (CAAR)**

The Caisse Algérienne d'Assurance et de Réassurance, a State insurance and reinsurance enterprise, was set up in 1963 under the Ministry of Finance. It is one of the principal financial institutions of the independent State, Algeria.

The CAAR was set up under Act 63,197 of 8 June 1963 in the form of a State commercial undertaking with the principal task of handling the compulsory reinsurance requirements of insurance companies operating in Algeria.

The CAAR was authorised to engage in insurance business on its own account in a departmental order dated 26 February 1964. It is active in all branches of insurance within the State monopoly system instituted by Ordinance No. 66, 127 of 27 May 1966.

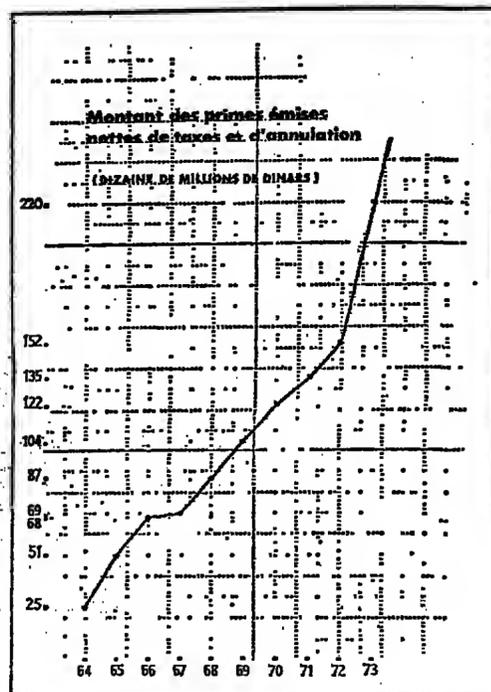
Since its formation the CAAR has made an annual contribution to the national budget, and it also makes considerable sums available to State funds. It is now approaching its eleventh year of operations and has technical reserves amounting to 400 million Algerian dinars.

It is therefore making an appreciable contribution to the financing of investment programmes.

A total workforce of 1200 is employed in the Head Office and branches. The great majority of industries in course of development, as well as those already in operation, are insured by CAAR, which also provides the cover for ships and aircraft of the State's commercial shipping line and airline.

The CAAR handles more business than any other insurance institution in Algeria and is also among the leading institutions in Africa and the Arab world.

From 1964 to 1973, turnover rose from 25,071,580 to 220,644,454 Algerian dinars.



The table and graph above show the development of turnover over the ten years.

During the first four-year period the CAAR received in premiums a total of 625 million Algerian dinars, net of cancellations and tax, or an average of 156 million.

It should be observed, however, that business improved sharply in 1973, with the growth rate recorded as 41.30% compared with the total volume of premiums paid in the preceding year.

The importance of this growth rate deserves to be underlined, in that this was the first time since the State monopoly was established that such a performance has been recorded.

During the last four years, turnover has doubled from 103 million dinars to more than 220 million dinars.

Mention should also be made of the successful outcome of the complete reorganisation of the network of independent agents.

Conditions for this reorganisation could not have been more propitious, since there was a marked increase in the volume of business during the same period.

Furthermore, since the reorganisation was preceded by the implementation of an overall professional training policy, there has been an improvement in the quality of service offered, particularly in regard to speed of settlement of claims.

At the same time working conditions and the appearance of insurance offices were greatly improved by the acquisition of better-placed premises.

In parallel with the drive to increase the volume of business in the different branches of insurance successful efforts have been made to diversify, and this helped to achieve a satisfactorily balanced portfolio.

This has been achieved by the promotion of branches of insurance other than motor. Before the four year plan motor insurance accounted for 60% of business, but by 1973 it represented only 43%.

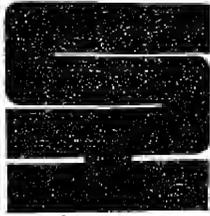
Finally, although more—and better qualified—staff is now being employed in the branch offices, the incidence of overheads has fallen from 18.40% in 1967 to 9.28% in 1973.

**OUTLOOK UNDER THE NEXT PLAN**

In view of the scope of the second four-year Plan, which envisages four times the volume of capital investment provided for in the first, it is reasonable to assume that the growth rate in the CAAR's volume of business will greatly exceed.

The branches which are expected to grow most rapidly are, in order of importance:

- Maritime
- Ship's hulls
- All risk insurance, construction sites
- Industrial fire and public liability


 كذا من الأصل

ADVERTISEMENT

# SONATRACH

## GAS AND OIL—A STRATEGIC ROLE IN THE ALGERIAN ECONOMY

### Algerian energy policy as a sound basis for economic development

Algeria, a country that produces oil and gas, has taken the decision to use its hydrocarbon resources as a cornerstone in building up its national economy. At a very early stage, it was realised that an energy policy must be formulated and implemented to promote and speed up the process of economic and social development.

As part of its unprecedented efforts to lay the foundations of a modern economy, it is a matter of principle to Algeria that it should use its natural resources to the full.

Energy, more specifically gas and oil, has a strategic role to play in the development of the Algerian economy in more than one respect:

- it is a source that can be used to accumulate the capital required to support general investment outlay;
- it provides the material basis for the establishment of industrialisation;
- it is a general factor promoting economic and social progress at all levels.

In view of Algeria's history and its political decisions, its energy policy should be seen as one of the tenets of its overall development doctrine. The field to which energy policy applies, therefore, includes the whole process of petroleum and gas production, their development and their deployment in the service of the national economy.

A brief review of the general situation in the oil industry during Algeria's first few years of independence will help to clarify the origins and development of Algerian oil policy.

From 1955—the year in which oil and gas were first discovered in Algeria—the impetus for and control of industrial development were provided by foreign companies, most of them French, under a system of concessions embodied in what was known as the Saharan Oil Code.

The code governed the activities of companies engaged upon hydrocarbon research, production and transportation. It was reviewed in 1962 and extended in its existing form on a provisional basis until 31 December, 1965 by the Evian Agreements.

Nevertheless, the Algerian Government very soon realised the need for a national petroleum policy which would reflect the objectives of this independent state and meet its most urgent needs.

In particular, the Government's concern was justified by the fact that, since 1962, the country's growth potential and the contribution of energy to the economy were being seriously compromised by a deceleration, and subsequently a virtual stoppage, in exploration work by the concession holders. In addition, the tax arrangements were extremely favourable to the foreign companies, resulting in stagnation in the state's earnings from oil.

At the same time, the newly independent state was facing grave problems arising from economic and social under-development and it wished to mobilise all its resources to build up a self-reliant and prosperous economy together with the hope of a fair standard of living for all its people.

#### A clear cut policy

Since it had decided to embark upon this course of action, Algeria could no longer adapt to a situation in which its natural mining and energy resources continued to be exploited and controlled by companies which, despite all their good intentions, were none the less by definition indifferent, if not opposed, to the concerns and higher aspirations of the Algerian national community, which they saw as being against their own interests.

These, then, were the motivating factors for the Algerian state in the general context. The Government outlined a general policy with clear-cut principles and objectives, while at the same time it made practical plans for its conduct and implementation.

In the pursuit of this objective, a number of guidelines have been laid down as follows:

- (a) the country's energy potential must be used to the maximum by renewed exploration efforts, the main aim being to increase its reserves of oil and gas;
- (b) there must be systematic improvements in

the exploitation of oil and gas resources, to produce the financial resources and means of payment needed to support investment in other sectors of the economy;

(c) the oil and gas industry must become one of the mainstays of the process of industrialisation in the country, by the establishment of a complete local network of hydrocarbon by-product concerns;

(d) the oil industry must be more closely integrated into the rest of the national economy, breaking with the tradition of under-developed countries in which oil is controlled from outside and is insulated from other economic sectors. The interaction between the oil and other sectors caused by an intensification of the flow of goods and services between them will be mutually beneficial and will lead to more dynamic growth in the economy as a whole;

(e) the hydrocarbon industry must provide sufficient supplies of fuel and natural gas to satisfy the country's needs at the lowest possible cost, thus stimulating general economic development and providing the Algerian consumer with modern forms of energy at a price that he can afford;

(f) although the public sector will act as the instrument of oil policy, there will be no wholesale rejection of all forms of outside cooperation. On the contrary, in promoting the growth of Algerian industry great reliance is being placed upon international cooperation: Algeria is closely involved in the flow of international trade in goods, capital and techniques.

In the oil sector, it is Algerian policy to encourage foreign participation where it is needed, provided that the contribution made is beneficial and is not accompanied by a stranglehold over the sector or its domination in a manner incompatible with the nation's basic objectives. In any such participation, there must be a fair balance of rewards: in exchange for its effective support, the foreign partner will receive adequate remuneration in proportion to the industrial risk incurred.

Before the objectives that had been formulated could be put into practice, a number of conditions had to be satisfied: procedures had to be evolved for intervention by the authorities and a political and legal framework had to be established to govern the relationships between the state and foreign companies setting up in Algeria.

One of the first priorities was to provide the state with an instrument through which it could take action. A firm footing had to be created at every level of the oil industry so that policy formulated by the Government could be implemented at each stage. That instrument was the national company formed with the name of SONATRACH, whose original objects were restricted to the transportation and marketing of hydrocarbons, although they were extended to all oil industry activities in 1966.

#### A fairer share

Of equal urgency was the need to redefine the role of foreign interests in the exploitation of the country's natural resources. It had rapidly become apparent that it would have been quite incompatible with the political and economic options of an independent Algeria to continue with the arrangements inherited from a former colonial power.

As soon as it had gained its independence, Algeria clearly affirmed the principle of its full and undisputed sovereignty over its own natural resources. It announced its intention to make radical changes to its relationships with concession-holding companies. There was to be a fairer distribution of the income created by the exploitation of its wealth; foreign financial concerns were expected to contribute effectively towards the nation's efforts to build up its economy; and the state was to have a predominating share in decisions and the conduct of operation.

Algeria and France then embarked upon negotiations which culminated in the agreement of 11 July 1965. By this compromise settlement, the concession holders were allowed to conserve their rights for a limited period (with a few changes of a fiscal nature), in exchange for cooperation with exploration in a vast mining area, the concession being granted to a joint Algerian-French partnership (cooperative association). The agreement also provided for a French financial contribution to Algerian economic development and

French government participation in a project relating to the export of natural liquefied gas to the French market.

The agreement was for 15 years and it was to be renegotiated after a preliminary five year period. In practice, however, the first five years proved to be a disappointment for Algeria. Without going into the detailed history of Algerian-French oil relations during this time, the original plan for cooperation between the two countries proved to be unworkable, the companies involved being in essence groups with special interests of their own governed by a strategy whose rationale was alien to the political thought underlying the agreement of 1965.

Because of this, while Algeria scrupulously complied with all the terms of its contract towards the concessionary companies it failed to receive the true and adequate return that it was entitled to expect in the development of its energy potential and participation by French concerns in the industrial plans it had outlined.

This basic conflict between the interests involved inevitably led to a profound rift in Algeria-French oil relations in 1970 and 1971.

In the light of its experience and in view of the failure of negotiations in 1970, Algeria decided to take over effective control in the oil industry as a whole through a 51% majority holding in the capital of concessionary companies and through total nationalisation of natural gas and pipeline transportation.

The Algerian state's decision to nationalise, reached on 24 February 1971, was the culmination of the severe crisis that had arisen between the two countries. When the national company, SONATRACH, signed agreements with Total-Algérie in June 1971 and with Elf-Erap in December 1971, the situation was finally ended and relationships between these companies and Algeria could return to normal.

In the meanwhile, in April 1971 the Algerian Government issued a new basic law on hydrocarbons, abolishing the Saharan Oil Code arrangements and stating the principle that the state would have a majority holding in any future hydrocarbon research and exploitation operation.

This meant that Algeria was not forced to resort to force to obtain control over the use of its national resources until all its attempts to negotiate had failed—first between 1965 and 1969 with the English-speaking companies, later with the French concerns in 1970.

The forms of partnership proposed by Algeria at the time were seen as exorbitant and unacceptable by the companies, who rejected the terms on the outdated grounds that they had established rights.

Nevertheless, the agreement signed by the Getty company and Sonatrach in 1968 constituted a model for the type of relations which Algeria now hope to establish with other concessionary companies.

#### Two basic principles

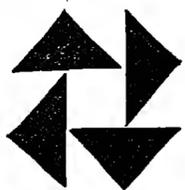
Today, now that the concept of state participation and control of oil is rapidly becoming generally accepted in many Western European countries, we can survey how far we have come and conclude that certain "heresies" may often be no more than the expression of a proper appreciation of matters in a rapidly changing world.

The phases in the development of the national company, SONATRACH, are milestones in the path that has led to an Algerian petroleum policy. Bearing in mind the vital dates in the history of the company and the general direction in which it has moved, Sonatrach's role is founded on two basic principles:

it has been set up to be the instrument for the development of the Algerian oil industry;

it has become one of the instruments for the country's industrial policy.

In furtherance of these two basic principles, SONATRACH has not only played a part in developing the oil industry in Algeria and in the gradual acquisition of control over the hydrocarbon sector but it has also, acting as the agent for the state's industrial policy, embarked upon a vast programme whose aim is to promote the optimum use of energy resources to the benefit of economic and social development in Algeria.



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sonama

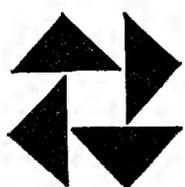
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## Priority now is to develop resources for higher returns

by David Blake

Oil pays Algeria's piper, and it is oil which firmly calls the country's tune when it comes to deciding the nation's investment priorities.

In 1973, before the big increase in oil prices had increased its importance still more, the hydrocarbon sector dominated industry. Hydrocarbons accounted for 56 per cent of industry turnover, and more than 95 per cent of its exports. In return for now contributing more than £1,300m a year to state coffers (more than half of all revenue) the industry has received the lion's share of investment. More than 40 per cent of industrial investment went into oil and gas in 1973, and this percentage will be maintained right through the current four-year plan which ends in 1977.

In spite of its vital importance to the economy, Algerian oil production does not compare with that of the real giants of the oil world, such as Saudi Arabia or Kuwait. Output this year is expected to be just over 50 million tons, which is expected to rise to just over 70 million tons by the end of the decade. This fairly limited output reflects the limited scale of the country's reserves, which on the Government's estimate have been put at 1,200 million tons.

The country's economic outlook reflects both the increasing importance of oil in the modern world and the relative backwardness of the other sectors of the economy which Algeria inherited. Along with this central economic importance, the Algerian oil industry has held a key role in defining the country's relations with foreign nations, and most of all with France. It was during the French rule of the country that oil was discovered in the Sahara, and during the long struggle for independence, the question of who should be allowed to develop it and to gain the benefits was one of the hardest issues to resolve.

Algeria emerged as an independent nation with a policy towards its oil which was in many ways more nationalistic than that of its colonial producers farther east, but which at the same time forced it, under the Evian Agreement which created it as a state, to guarantee the continuation of the favourable terms which had been granted to exploring companies by the French Administration. That the most favoured companies were themselves French added further to Algeria's bitterness.

The first Algerian reaction was to seek to live with these agreements, which gave the Government an unusually small tax return, and to try to seek its own reserves through exploration by a new state-owned company, Sonatrach. Although it met with some success, this policy was effectively doomed to failure by the fact that it is highly unlikely that there are any fields which compare in importance with the Hassi Messaoud field already discovered and allocated by the French.

The first step in the country's new, more aggressive policy which soon put Algeria in the forefront of the Arab countries pressing for a more nationalistic stance in their dealing with the oil companies, came in 1965. Under decrees announced then, ownership of all the country's hydrocarbon reserves came into state hands, and a new formula was set up for dealings with foreign companies.

The new rules were particularly hard on non-French companies such as Phillips, Esso, Shell and other smaller companies. They were assessed on the Opec posted price system, instead of the more generous arrangement which they had been allowed, and they were forced to retain all their profits in Algeria. New financial rules also made it more difficult for them to invest more capital in the country.

The terms given to the French, on the other hand, were far more generous. Compagnie Francaise des Petroles (CFP) and ERAP, the two firms who had heavy investments in the country were given a number of special concessions. The price

on which they were assessed for tax was 26 to 27 cents a barrel below that used for the other companies, and an agreement between Sonatrach and ERAP set up a partnership to develop the Sahara reserves together. Most important, the French firms were allowed to remit half their profits to France, an issue which seemed unlikely. But the role of these companies, like that of others such as Sun Oil who were the first to sign such an agreement, is very much that of a junior partner. In 1972, Sonatrach controlled more than 76 per cent of production, and its share is going up.

The first national goal of Algerian oil policy, getting the country's resources under control, has been achieved. With that out of the way, the Algerians have been pursuing two other targets which they regard as of prime importance. These are the development of resources—by finding reserves, exploring them and getting a petrochemical and refinery capacity installed—theo in getting a better price for their oil.

Investment and prospecting are scheduled to get even more money during the second plan than they received during the first one, in an effort to increase the country's reserves and get them out of the ground. Major efforts have also been made to increase the country's refining capacity.

In the west, a Japanese group has built a 2,500,000 tons-a-year plant, while a contract has just been signed with a subsidiary of the Italian ENI group to build a huge 15 million tons a year refinery in Skikda at the east, which allow increased exports of refined products and make it easier to carry out the policy of providing cheap fuel to Algerian industry.

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But although these efforts to transform their crude oil into more valuable products are important, the oil industry, and because of the country's economy, depend on the world price for crude remaining near its present level or going up again. Algeria has always been one of the keenest supporters of higher oil prices, arguing that the rich countries of the West have got their energy too cheaply for too long.

Although the terms which the French were forced to accept were tough, they have allowed them to maintain operations in the country, something which at one time seemed unlikely. But the role of these companies, like that of others such as Sun Oil who were the first to sign such an agreement, is very much that of a junior partner. In 1972, Sonatrach controlled more than 76 per cent of production, and its share is going up.

The first national goal of Algerian oil policy, getting the country's resources under control, has been achieved. With that out of the way, the Algerians have been pursuing two other targets which they regard as of prime importance. These are the development of resources—by finding reserves, exploring them and getting a petrochemical and refinery capacity installed—theo in getting a better price for their oil.

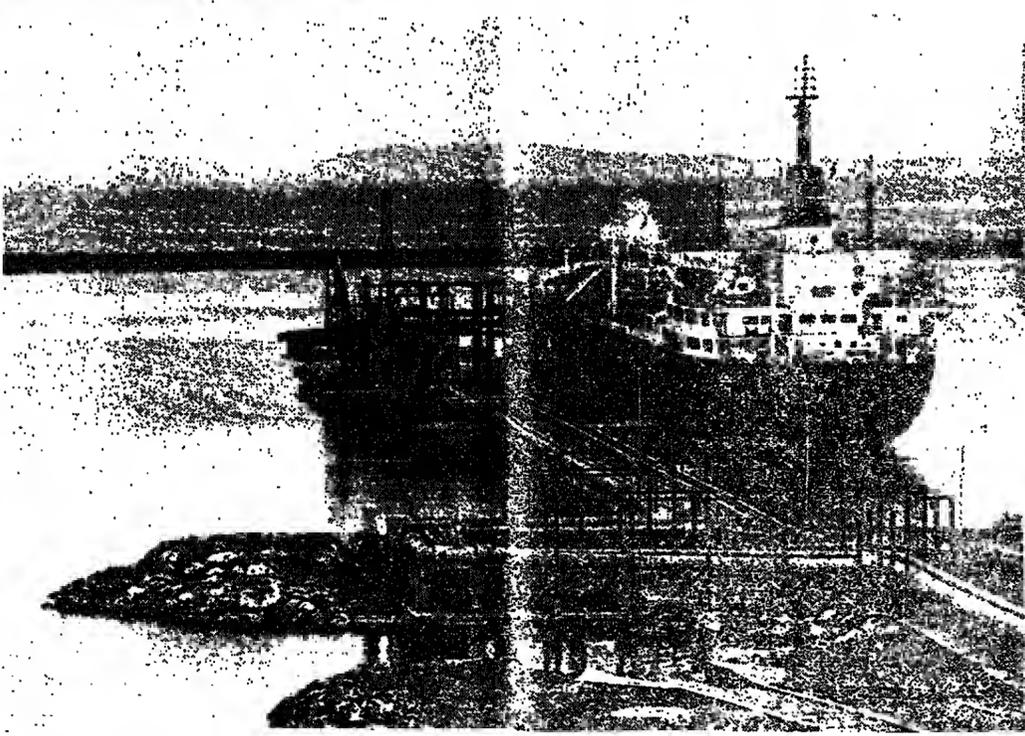
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Installations at the Hassi R'Mel field, the biggest of Algerian gas finds. Two thirds of the country's known reserves are —2,000 million cu metres of gas, one of the largest fields in the world. Below: a methane tanker loading at the port of Arzew.



## Decline in French dominance as pattern of trade changes

Algeria's external trade has been growing rapidly in the years since independence, and as it has grown it has changed. Exports, once mainly wine and citrus fruit produced for the tables of France, are now overwhelmingly dominated by oil and gas which go all over western Europe.

Imports, once consumer goods for the settlers who had the money to bring them from home, have become heavy investment materials needed to complete some complicated plant or other. First, the increase in volume. Between 1970 and 1973 there was an increase of 30 per cent in external trade, some of it accounted for by increases in prices but some of it reflecting real increases in the quantity of goods sold. Over the four-year period exports reached 25,000m dinars and imports were 30,700m dinars. But if we look at the figures for 1973 alone the picture becomes much more favourable.

Exports were 9,500m

dinars while imports were 10,500m dinars, showing not only that trade was speeding up but also that the gap between exports and imports was closing rapidly and has now moved into surplus.

If we look at trade between Algeria and Britain, which in 1972 exported goods worth £33.8m to Algeria and bought products worth £22.9m in exchange, it is easy to see why. Last year, while British exports were rising slowly to reach £37.9m, Algeria's exports to Britain doubled to reach £45.7m. Most of this increase was accounted for by the jump in the price of oil, which accounts for 88 per cent of Algeria's exports to Britain, along with its natural gas.

The British figures also illustrate the other two characteristics of the changing nature of the Algerians' trade: they are dealing with a far wider range of people and they are buying and selling a different range of products.

One of the most striking things about the country's trade in the past few years has been the decline of the

French dominance. In 1968 the French took 55 per cent of Algeria's exports and provided 57 per cent of its imports. By 1972 their share in sole to Algeria had fallen to only 30 per cent, registering an actual drop not just in share but in the value of their sales as well, from 2,274m dinars to 2,020m dinars.

The drop in French imports from Algeria partly affected by a hangover from the abortive boycott in 1971 after Algerian nationalization of the French oil companies, was even more startling. Algerian sales went down from 2,264m to 1,363m dinars or only 23.3 per cent of total exports.

As well as the negative factors of the oil boycott and a gradual reduction in Algerian earnings from wine sales there were other reasons for a break-up of the partnership. On the export side the Algerians found increasingly profitable markets for their oil elsewhere, most notably in West Germany, which has registered a huge increase in trade with the country. The factors working foodstuffs.

against the French when it comes to selling to Algeria have been partly political, arising from a natural desire to break free from the ties of trade which are seen as a continuation of colonial links, and economic pressure. The economic factor has been that something like three-quarters of Algerian imports have been either of capital goods or raw materials, in neither of which the French are notably strong.

Out of the 10,000m dinars of imports in 1973 40 per cent were capital goods, and were those with a tradition for supplying them; above all the Germans, but also the Japanese and the Italians, who have built up a profitable line in providing the huge new industrial complexes with which the Algerians have been busily equipping themselves.

On the consumer goods side the Algerians have shown little willingness to spend their purchases. Of the 2,500m dinars worth of consumer goods imported in 1973 nearly 70 per cent were

This reflects three things. The first is the continuing inelasticity of the agricultural system to change to producing the kinds of foods which the country needs in increasing quantities for its growing population. The most obvious of these are cereals and dairy products, and it is unlikely that there will be any great improvement in this situation in the near future.

The second is the rapid upsurge in food prices last year, averaging 180 per cent, for products whose consumption is notoriously resistant to any curtailment caused by rises in price. Bread plays such a central role in the Algerian diet that any rises in wheat prices are bound to be seen in increased import figures almost directly.

The third is the small quantity of imports of other consumer goods. Luxury goods are not imported at all, and high duties and the lack of disposable income hold down the sales of other consumer products or force companies to make them in Algeria under licence. The structure of Algeria's trade has tended on the

whole to confirm its orientation towards western European goods, and this is likely to continue throughout current plan. So, too, emphasis on investment goods, though the oil raises nutritional standards likely to give a further impetus to food imports, which are expected to increase per cent by 1977 over today's prices.

However, the count clearly been to export trade with other countries and in spite of frosty relations the United States is still a major partner, ahead of the whole of the Eastern world when it comes to being a market for Algerian goods, and more than 70 per cent larger than the Soviet Union as a source of imports.

One striking fact is, although Algeria wishes to diversify relations with black Africa for the volume of business between the Algerians and their neighbours in the south is small.

The structure of Algeria's trade has tended on the

مركز من الامم

# Conditions change but natural gas still lifts prosperity

هكذا من الأصل

# Pipeline to Europe in prospect

Natural gas used to be the exception of the oil with it is so often found. In many places it was found to burn off in the desert, like some irritant which has to be removed if the oil is to be used. In other places it was found in a rock-bottom price, a condition of the ruling by the American Federal Power Commission that it was so important as a factor in pricing exploration should be treated as just a by-product. That has changed now. Few countries have reason to feel more ill for the fact than Algeria, which is likely to be the world's biggest gas producer by 1980. Whereas reserves, though sizeable, are fairly small by world standards, its reserves of natural gas put it up in the world league.



The liquefaction of natural gas, as in plants like this, made it a practical source of energy and an increasing contribution to Algeria's revenue.

According to estimates published by the *Oil and Gas Journal*, the country's total proven reserves of gas are like 2,966,000 million metres, or 52 per cent of the world's supply. Algerian situation as a natural exporter of gas is stronger than these figures indicate. Over a third of all reserves are in the Soviet Union, many of which are in Siberia and of which accessibility in the few years. And a large part of the world's oil reserves are locked in countries which do not have a sufficient population or economy to use it all. Only the United States and Iran have both a large population and the wherewithal to use it.

The first gas finds were made in 1956, at the time of the French Government's decision to encourage exploration for oil and gas in the Sahara, and most of the discoveries were made between then and 1965. The biggest of them is the Hassi R'Mel field, some 300 miles inland from the coast to which it is piped. Two of Algeria's known reserves are here, 2,000 million metres of gas—one of the biggest fields in the world and like most Algerian gas it is particularly easy to deal with. Algerian gas is not mixed with oil, which eases the job of getting it to the ground. And high methane content (over 90 per cent) makes it a

powerful heating source. The technology which makes this gas buried in the sand miles from anywhere a precious fuel is gas liquefaction. Gas first entered into the realm of practical power supply with an experimental shipment on board a gas tanker from Skikda in Algeria to Carvey Island in Essex in 1959. That was followed in 1964 by the first of the regular deliveries under 15-year contracts to supply a total of 1,500 million cu metres of gas each year to Canvey and Le Havre in France. Those contracts have continued successfully, but in the meantime there have been enormous changes both in the ownership of the gas itself and in the list of customers and potential customers.

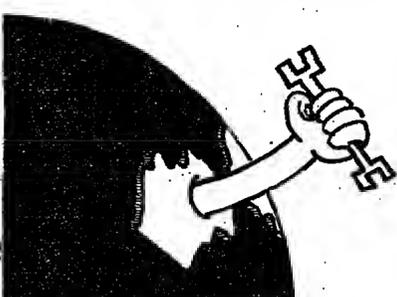
The first change came as it is its transfer to the United States and European users. The first of these grew out of the constantly expanding American demand for natural gas—it is expected to increase its share of the market dramatically by the end of this century—combined with a shortage of proven, reasonably accessible finds. This shortage owes much to past policies of trying to keep gas prices down, which have discouraged exploration. Those policies have rebounded with a vengeance: the price which was agreed in the 1969 contract signed by Sonatrach and the United States company El Paso for natural gas is far higher than the price Americans were used to paying. Altogether there are a total of six contracts with the Americans which are due to take effect between now and 1979. When they are in full operation they will involve supplying 32,100 million cu metres. The scale of investment needed to carry out these contracts is huge: the El Paso contracts alone involve an investment of more than \$1,000m and the total programme is likely to cost four or five times as much.

Having been successful in selling their gas to the United States for use along the east coast, which is chronically short of power, the Algerians turned their attention back to Europe. Late in 1972, after long discussions, they signed their biggest contract ever, with a European consortium which will transmit gas to France, Belgium, Switzerland, Austria and southern Germany (a total of 15,500 million cu metres a year). They have also reached

agreement to provide 12,000 million cu metres a year to the Ruhr. These contracts will require a further expansion of terminal facilities, both in Algeria and at Fos and Montfalcone in Italy, where the gas will be taken ashore. But perhaps the most exciting project is that for doing away with the whole cycle of gas liquefaction on Sonatrach's other major contract, that with the Italian company. This would involve building a pipeline under the Mediterranean to take gas across, where it would be fed directly into the Italian system. The total of these contracts—more than 80,000 million cu metres a year by 1980—should mean that by then Algeria will be the largest gas exporter in the world.

far all the contracts for building long tankers have been won by the French. In 1970 the Hessi R'Mel, a 40,000-cubic metre tanker was ordered. It entered service in 1972 between Skikda and Fos-sur-Mer on the French Mediterranean coast. This was the first tanker to carry the Algerian flag. At the end of 1972 a systematic policy of ordering new tankers began. The first batch of four was commissioned at the end of 1973 from various French shipyards. All four were larger than 125,000 cubic metres and delivery of the vessels is to start in 1976. In May this year a fifth tanker was ordered. Other orders will follow and though French shipyards have won all the contracts so far there is no reason why other nations should not become involved in the later stages. Finance came from the Organisation for Economic Co-operation and Development, with a further loan of \$200m from a consortium of international banks which were prepared to cover the cash outlay needs during the construction period. CNAN's complaint is that these loans are far too short in term and too costly. Appeals have been made to the main buyers of Algerian gas to help with the financing, but not a single country has shown itself interested. The Government now says that because of this lack of cooperation the cost of its gas will be much higher. Strangely enough, though oil prices have increased in line with world prices since the Middle East war, Algeria has still not renegotiated its gas contract prices. It sold its first 100 million cu metres a year contract to El Paso for 42 cents per 1,000 cu ft, but no price has been agreed for the new European contracts and negotiations are still continuing with the United States. The final price is expected to be in the region of \$1.20 per 1,000 cu ft. Meanwhile CNAN is pressing on with a complete programme for the training of Algerian officers, engineers and crews at the Higher Institute of Merchant Marine. Last year the first graduates of the institute were sent to sea and engineers received their diplomas. From next year onwards the institute is expected to be able to supply all specialist staff requirements.

There was considerable speculation whether Algeria would be able to go fully into the methane tanker business. This was a question partly of the huge costs of building the specialized vessels and partly of the high technology of the venture, with the need for highly qualified staff. It was frequently said that Algeria would do better to put its scarce manpower and financial resources into other parts of the economy. But the Compagnie Nationale Algérienne de Navigation (CNAN) was determined to go ahead and order new tankers even if it meant borrowing heavily, at high rates of interest, on the world money markets. Tenders were put out to the world's shipyards and so



## NATIONAL ELECTRICITY AND GAS BOARD

The Société Nationale de l'Electricité et du Gaz (Sonegaz) has been granted a monopoly by the State of the production, transport, distribution, importation and exportation of electrical energy, and the transport of natural gas by a secondary network of pipelines (1) to effect distribution to the public, domestic and industrial sectors.

**The objectives of Sonegaz**

Within the framework of the first 4-year plan 1970-73 and the second plan, 1974-77, at present in operation, the essential aims are as follows:

—To provide the country's energy sector with a solid substructure, to meet the needs of the national economy, notably the rapidly expanding industrial sector.

This first objective is being implemented in the form of an extensive equipment programme such as the creation of new methods of electrical energy production, expansion of high, medium and low tension grids, and in the gas sector, through the creation of a true national network of transport and distribution, in order to give maximum supplies of a

plentiful and cheap fuel to industrial complexes, towns and other such centres

—To play an active part in the national effort to modernise rural areas by supplying these areas with sources of energy that were previously not available. Thus, during the course of the first plan, more than 500 villages were supplied with electricity. This drive will be increased during the second plan.

—To participate also in any promotive action by the application of very low tariffs, especially for natural gas.

The various schemes which have been implemented or are in the process of being carried out, clearly demonstrate the role assigned to Sonegaz, which:

—To meet the energy needs of a rapidly expanding economy, and to play an active role in promotive action.

(1) Separate from the principal gas pipelines which are intended primarily for use in exporting and managed by Sonatrach.

### Representative Statistical Data

These figures, which represent the full spectrum of its activities, also demonstrate the rapid growth of Sonegaz in conjunction with the rest of the national economy.

	1969	1973	1977	1980
<b>ELECTRICITY</b>				
Output (in millions of Kilowatt Hours)	1 476	2 380	4 750	7 800
Number of Subscribers	685 000	920 000	1 250 000	1 400 000
<b>GAS</b>				
Total supplies (in millions of Therms)	5 131	9 950	25 100	40 850
Number of Subscribers	149 700	230 000	350 000	440 000
<b>ANNUAL INVESTMENT (in millions of Dinars)</b>	147.5	465.2	647.3	
<b>TURNOVER (in millions of Dinars)</b>	262.8	430.0	655.5	
<b>MANPOWER</b>	4 807	6 458	7 502	8 850

## SOCIETE NATIONALE D'ELECTRICITE ET DU GAZ

La Société Nationale de l'Electricité et du Gaz s'est vue confier par l'Etat le monopole de la production, du transport et de la distribution, l'importation et l'exportation de l'énergie électrique, le transport et le gaz naturel par canalisations secondaires (1) pour la distribution publique, domestique ou industrielle

**Les objectifs de la Sonegaz**

Dans le cadre du 1er plan quadriennal 1970-73 et dans l'actuel 2em plan 1974-1977 les objectifs essentiels sont les suivants:

— Doter le pays d'une infrastructure énergétique puissante pour répondre aux besoins de l'économie nationale notamment du secteur industriel en très forte expansion.

Ce premier objectif se traduit par un programme d'équipement important tels que création de nouveaux moyens de production d'énergie électrique, développement des réseaux haute, moyenne et basse tension. Dans le domaine du gaz par la création d'un véritable réseau national de transport et de

distribution afin d'alimenter un maximum d'unités industrielles, de villes et centres avec un combustible abondant et bon marché.

— Participer à l'effort national de modernisation des centres ruraux par l'alimentation en énergie de centres jusqu'alors dépourvus. Ainsi au cours du 1er plan plus de 500 villages ont été alimentés en énergie électrique. Cet effort sera accru au cours du second plan.

— Participer également aux actions de promotion sociale par l'application d'une tarification très bon marché notamment dans le domaine du gaz naturel.

Les différentes actions réalisées ou en cours de réalisation mettent bien en évidence le rôle assigné à la Sonegaz, à savoir:

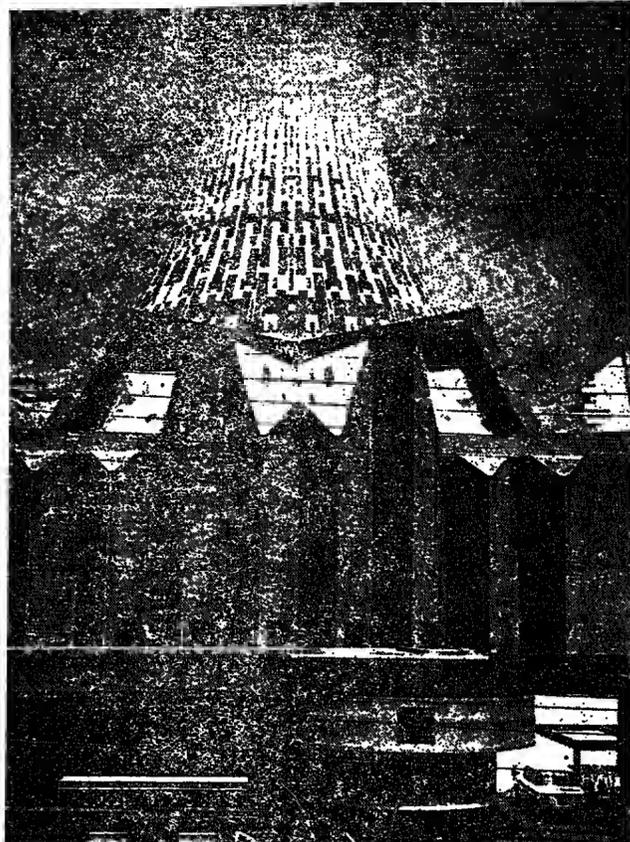
Répondre aux besoins énergétiques d'une économie en rapide accroissement et participer activement à la promotion Sociale.

(1) A partir des gazoducs principaux destinés surtout à l'exportation et gérés par la Sonatrach.

### Grandeurs Caractéristiques

Les chiffres caractéristiques de l'ensemble des activités traduisent, du reste, la croissance rapide de la Sonegaz en liaison avec l'ensemble de l'économie nationale.

	1969	1973	1977	1980
<b>ELECTRICITE</b>				
Production (en millions de KWh)	1 476	2 380	4 750	7 800
Nombre d'abonnés	685 000	920 000	1 250 000	1 400 000
<b>GAS</b>				
Livraisons totales (en millions de therms)	5 131	9 950	25 100	40 850
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<b>CHIFFRES D'AFFAIRES (en millions de Dinars)</b>	262.8	430.0	655.5	
<b>EFFECTIFS</b>	4 807	6 458	7 502	8 850



## Dramatic transformation has taken place despite impression of French city pickled in aspic

by David Blake

Although it is now 12 years since the French left Algiers, the physical appearance of the town has changed little. The paint on the buildings, most of which are white or cream, is just a little more weathered than it would have been under the colonial regime, but efforts are still made. A few new buildings have gone up, but far fewer than in the seaside towns on the other side of the Mediterranean which have seen great flat-building throughout the 1960s.

Many of the streets have kept their French name-plates, bearing tribute to obscure writers whose only claim to fame seems to have been that they died during the First World War. Even those streets which have been re-named, such as the main shopping street, the old rue Michelet, are popularly referred to under the names they had when crowds marched along them chanting "Algérie Française".

### Worrying problem of drunkenness

In the cafés, which still for the most part keep their old names, everyone seems to be drinking a French brand of beer or, even more commonly, of *pastis*, adding

to the drunkenness problem which is so worrying for an Islamic state. Even the things which do not work, such as the telephone system, do not work in what seems a characteristically French way.

But this impression of a French provincial city pickled in aspic is totally false; for under the continuity and the superficial similarities with its past, Algiers has undergone a dramatic transformation. The blocks of flats, once the exclusive preserve of the Europeans, have been taken over by Algerian families, many of them moved in as tenants of the Government which took over the property when the former French owners disappeared to Paris and Marseilles as part of the great exodus immediately after independence.

There are still something like 80,000 foreigners in Algiers, most of them Frenchmen who decided to stay behind. But they matter less than they do in most other cities of similar size. Their living standard, usually the prime reward for living abroad, is held down by high rents (for a senior diplomat, a suitable home might cost £1,000 a month to rent, and those working for the private sector have to pay heavily too) and the high cost of such things as imported cars.

The luxuries from home, which are available at a price in most places, are just not there because the Government does not approve of wasting foreign exchange to buy them, and the state monopoly will not allow anybody else to do what it does not do itself. The hotels, once famous for their luxury, are more spartan (though no less expensive) and so few that guests are frequently evicted if they try to prolong their stay for more than a week.

### Fierce nationalism still alive

One of the prime rules which the country's leaders constantly impress on their people is that the Algerians must rely on themselves, and their attitude towards foreigners does little to weaken the need to do that. In pursuing this policy, they give added strength to one of the most striking attitudes that one comes across recently from Algerians who discuss the progress their country has made since independence.

They are proud of what they have achieved, and their attitude is not surprising in view of the chaos which Europeans predicted would occur if the trained French ruling class left the country. It is this fierce nationalism,

still alive after so long, which does much to explain why there is so little sign of opposition to or criticism of the Government.

No one doubts that if it did occur it would be fairly severely repressed; there are police everywhere in the streets and in the countryside, stopping cars at random to check the identity of occupants and generally making their presence felt, and adding to the mood in which people seem to feel that their telephone will be automatically tapped.

But this is not the real reason for the lack of dissent; it is that most people seem prepared to believe that the regime is doing its best to create a decent society for them and their children, and that its policies are on the whole proving remarkably successful.

The signs of that success are all around them. Many of them remember the days when the main streets were crowded with beggars asking for charity from European shoppers. They are now full of men on their way to work. It is not on the whole well paid work yet, and there is still a large number without a job to go to. But for them too there is hope, because even if they do not get a job this year or next, the year after that as the next stage

of the plan takes effect there will be yet more employment.

They think, on the whole, too, that the society in which they live is one where the leaders are trying to be fair. Everyone knows that some of the large nationalized corporations pay large bonuses to their top employees, and the people at the top still get first refusal of the luxury villas left behind by the French. But against this the maximum limit on salary does seem to have prevented the emergence of an ostentatiously well-off middle class driving fast cars to smart cafés, and the food subsidies handed out by the Government keep the basics within reach of ordinary workers.

Some things still seem to be changing slowly. The streets are living proof of the extent to which Algerian society is dominated by men, with remarkably few women around and a surprisingly large number of the older ones still wearing the veil, and being copied in their action by a number of younger women. However the overall impression is of a country which is changing rapidly, but still in a way which its leaders can control.

The bright young civil servants and managers, many of whom have been thrust into

top jobs in their thirties and clearly thrive on the result, keep coming up with expressions of their confidence in their ability to make the correct decisions and in their basic rightness about the kind of society which Algeria wants to be. They recognize all the problems, like the shortages of trained manpower and virtually everything else, and the capacity of the bureaucracy for adding new delaying tactics to the impressive armoury which the French left them with.

### Optimism keeps breaking through

But after the qualifications, the optimism keeps breaking through. The plan will be achieved, the norms will be exceeded and production targets will be met. Housing is a terrible problem for everybody, so there will be a major effort to improve the habitat of the cities and the housing will be built. It is a peculiarly intense self-confidence, strangely at odds with the untidy elegance of the capital in which it is set, which looks as if it has always been slightly decadent. But it is this mood of its people, not the look of its towns, which seems to give the key to the way the country is moving.



Algiers is a combination of European and Arab traditions. Top left: part of the capital city is dominated by this modern mosque which looks more like the cooling tower of a power station. Top right: night skyline. Centre: street scene. Above: outside the main post office.



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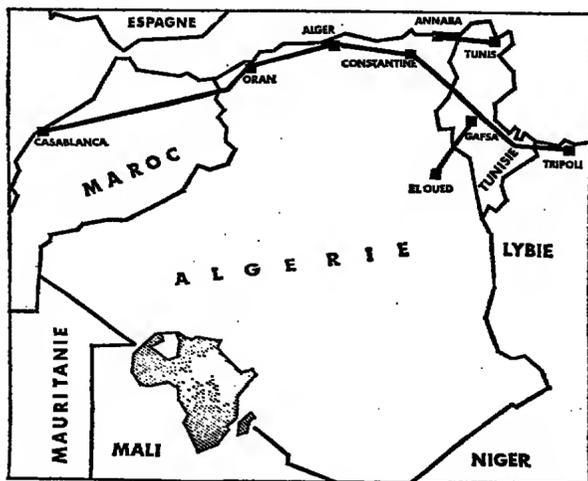
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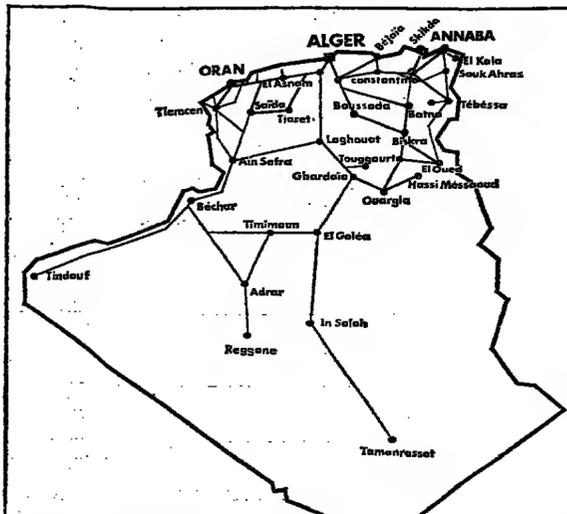
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Number of vehicles	1,700
Number of units	8
Bus and coach services in Algeria	800
International coach routes	3
plus 1 to be inaugurated in near future	
Road coverage	82,000 kilometres



سكزا من الأصل



# Clear EEC policies needed

By Francis Ghiles

The importance of the Mediterranean in world politics is nothing new; today, however, that importance is enhanced by the major role of oil plays in international affairs. The bulk of Europe's requirements are met by Arab oil from the Middle East and North Africa. This, inevitably, is leading western Europe, in particular the EEC, to regard its foreign, military and economic policies in a new light. The stability and security of the area is arguably of equal importance to the United States.

The June and October wars, last winter's embargo on Arab oil to Holland and Denmark and the quadrupling of the price of crude have made the EEC acutely aware of just how vital its interests in the Mediterranean are. The relations between the EEC countries and Algeria are thus a facet of a complex problem.

The youngest Mediterranean country is pursuing an ambitious and far-ranging policy, which neither of its two neighbours, Tunisia and Morocco, is in a position to emulate. Its voice counts in Opec, in the Arab League, in the OAU and in the United Nations. If that were not sufficient reason for Europe to pay special attention to Algeria, nearly 70 per cent of the country's EEC is conducted with the EEC.

## Important trading partners

Despite the crisis in the relations between the two countries in 1971 France remains its former colony's major trading partner, but the day is not far away when Western Germany will have caught up. In 1973 it took just over a fifth of Algerian exports, just below the French share of 24.5 per cent. Italy, the Netherlands, the United States, the United Kingdom and Spain are also important trading partners.

Most Algerian exports consist of raw materials, oil and products derived from oil, and natural gas, of which the country will be the leading world producer in two or three years. What it buys is essentially machinery, electrical goods and steel. From Britain and imports pipelines, gas liquefying plants and other specialized machinery for the oil industry. Increased oil revenues will close the trade gap fast—2,500m dinars in 1973—if that has not already happened.

D.B.

Before the price of oil was increased last winter, Algeria was planning to spend £5.8m during the 1974-77 four-year plan. This figure was later increased to £11.9m. Of this sum 45 per cent will go to industry and agriculture, including irrigation, and major infrastructure projects will take a further 5 per cent.

The increase in the price of oil also means that less money will have to be borrowed abroad to finance this mammoth development. In 1973, Algeria borrowed £60,000m on the Euro-currency market, thus becoming one of the largest debtors raising money in this way. Most leading British banks were involved.

These figures carry a clear message: if the EEC wants to remain Algeria's major trading partner it will have to formulate clearer policies. This does not mean, however, simply extending to Algeria the association status obtained by Morocco and Tunisia in 1969.

Algeria's ties with the EEC are peculiar. It still has the special status granted to it as a French territory by article 277 of the Treaty of Rome. This status has not been changed since 1962 and France still applies to its former possession the treatment granted by article 277 in effect that of a customs union. Algeria's trade with EEC countries is thus regulated in different ways according to each country, from total duty exemption (France) to third country treatment (Italy).

Algeria does not seek the limited associate status that Tunisia and Morocco enjoy. Three problems dominate the country's thinking on this issue: wine, emigrants and technical cooperation. Wine remains the greatest single obstacle to any overall agreement. Algeria wishes to see its wines pay lighter duties on entering Europe, it wishes to be given some sort of guaranteed price and it refuses to allow them to be used to strengthen weaker French and Italian ones.

France and Italy are adamant that they will not accept the lowering of tariffs, although a compromise might be reached on the other issues. They argue that they must protect their own wine growers, who are a vociferous group. Other EEC members do not seem to be in any great hurry. They point out that, despite all these hurdles, Algeria does manage to export 1,500,000 hectolitres of wine to EEC countries every year.

The European Commission is in favour of abolishing tariffs. It will help the

Algerians to reduce their production of *vin ordinaire*, but will give a maximum figure (in value) for the amount of wine that can be imported to the EEC, for five years.

Last December, at their summit in Copenhagen, EEC leaders agreed, not for the first time, that a global approach to relations with Mediterranean countries must be followed. The Community has also accepted that some form of free trade zone will be set up with those countries to compensate them for the tariff preferences granted to the Community.

## New freedom to bargain

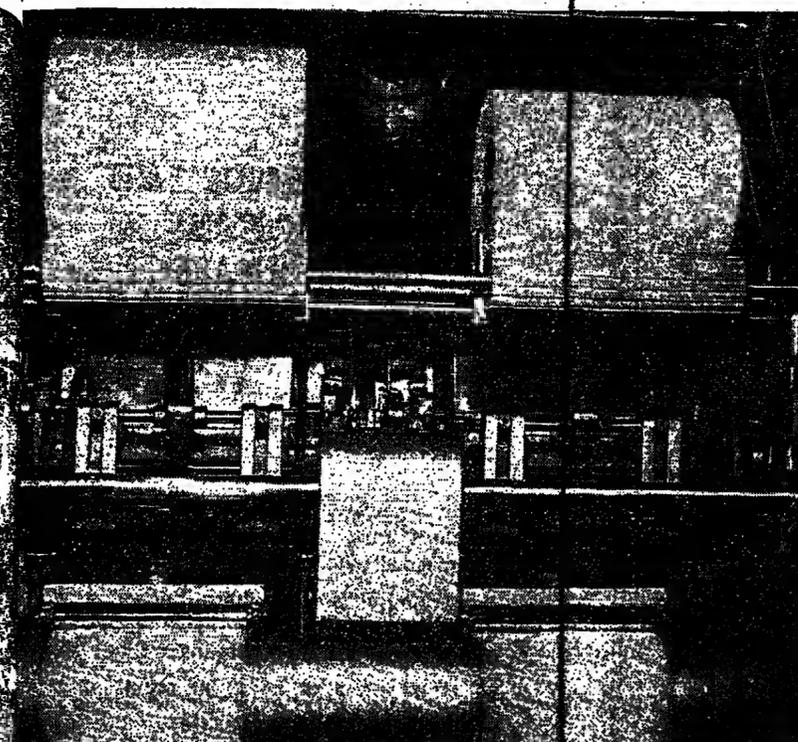
Among other substantial European interests in these countries are the ports of Algeria, Tunisia and Morocco.

But what happens to relations with Algeria is of prime importance. Having freed itself from excessive dependence on France, Algeria is in a better position to bargain. The country's resources, rate of growth, political determination to redress what it sees as the imbalance between rich and poor countries, its influence in Opec, all these are good reasons why a new policy must be thrashed out quickly. What is more, its ruling elite is extremely self-confident and capable.

In another area, also of vital importance to EEC countries, Algeria's voice has been listened to. At the European Security Conference in Helsinki in October 1972, the Algerians sent a delegation to explain the country's views. They were listened to carefully and Algeria was later asked to join the conference in Geneva when it reconvened in 1973 and earlier this year. Algeria contributed to the discussions of the five major sub-committees. In effect, it was speaking for the Third World.

Algeria exerts considerable influence in the world. It is important to know what its policies are. Whether Europe likes it or not, its ways of thinking are a necessary reference point for who ever wishes to understand the aspirations of the Maghreb and the Third World.

The author, of the City Press, is a specialist in Algerian affairs.



These are often part of private sector industry but public works and housing come under state control.

# Power of the purse dominates state-owned companies

There is still a private sector, concentrated in industries such as food, textiles, most of which is state-owned. Something like two monopolies control 90 per cent of the industrialized

factories to be built and output to be achieved. But the Finance Ministry has pursued a policy of forcing the large corporations into debt. Profits have had to be handed over to the Government each year, so that the corporations have no reserves of their own and have to go to their banks for even the smallest investment.

When they make a loss, as can well happen if government policy is forcing an industry to hold its prices down, the Treasury will make them a loan to tide them over, thus further increasing their need to stay in the right side of the government planners.

This policy has been a deliberate attempt to meet one of the most persistent difficulties which face the Algerian economy, in common with that of most newly-developing nations, the shortage of skilled managers who can be relied upon to make the right decisions on their own. Algeria is lucky in having, at least at the top of its ministries, some able civil servants and ministers who would shine in any administration; but lower down the gap is still present.

In the early years, to hope that each national corporation would have its quota of people who could take the right decisions to fulfil their part of the plan was to take too big a risk.

Now that the corporations have had a few years of being exposed to the discipline of control by government through the banks, the springs are to be loosened. In future state corporations are likely to be allowed to retain their profits and to be encouraged to build up their own capital resources.

This is a deliberate attempt to give them more independence, as part of the strategy of encouraging greater initiative. They will still be expected to stay within the limits laid down by the plan, but will have greater freedom of action in how they carry it out on a day to day basis.

At the same time as this experiment is going on, efforts are being made to increase the say of the workers in the running of their companies. Workers' councils have been set up, and legally have full control over the running of the firm. In practice, of course, it does not work out quite like that. Many of the decisions are not taken in the corporation at all, but in the Government. Even those that are taken in the corporation often involve the kind of specialist advice which only management can give.

None the less, the councils are seen by the Government as a useful way of keeping a check on possible waste or corruption by management. (The corruption at least seems to be rare), and form part of the general strategy for increasing the involvement of the workers in their places of work.

of them, such as the oil company or the steel corporation, are and others are relatively small, have had their as rigidly controlled since they came into the, usually in the mid- either to take over interests in an industry more usually to start on scratch.

Just as each corporation has a monopoly in its own industry, so it is allowed to raise finance from only one of the state-owned banks. These state-owned banks are in turn ordered by the Central Bank to keep a close watch on the workings of the corporations to make sure that they are investing in the plant and equipment which has been agreed for them as their share of the national plan, and in nothing else.

The only other possible source of finance for a corporation wanting to break free of government control over its activity would be to finance its investment out of

its profits, building up reserves over the years. To stop this happening, the Finance Ministry has pursued a policy of forcing the large corporations into debt. Profits have had to be handed over to the Government each year, so that the corporations have no reserves of their own and have to go to their banks for even the smallest investment.

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#### (3)—STORAGE

##### (3-1)—STORAGE IN BOND

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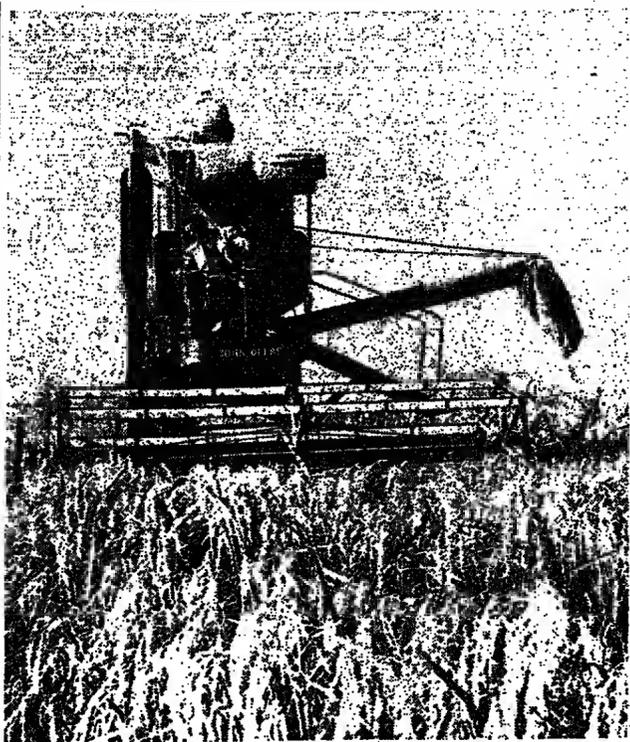
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A combine at work in an Algerian wheatfield. The countryside around Algiers and Oran is among the most fertile in the world.

## Monopolies bring industry to an agricultural nation

by David Blake

Although most of its population earns its living off the land, it is with industry that Algeria's future lies. The farming sector, with more than half the population, is responsible for 10 per cent of the country's gross national product; industry (including oil and gas) produces over half, and its share is growing dramatically. Right at the core of all Algerian policy is a determination that by 1980 there shall be the basis of a modern industrial economy in the country.

The need for this is obvious. Under French rule, Algeria was treated as little more than a fruit farm for France. The French colonists grew oranges and lemons and above all made wine whose exposure to constant sun made it ideal for purifying the more vinegary products of France. For the colonists, whose living standards were kept up by preference on the French market and who had access to the industrial products of France, it was a good life. But for the Algerians, most of whom were effectively excluded from the cash economy, living standards were brutally low.

Although some of the countryside around Algiers and Oran is among the most fertile in the world, most of the country is desert and in no condition to provide a rapid rise in living standards. Even more important, with the population growing at 3.4 per cent a year, there is clearly little scope for finding the jobs which are so desperately needed in a farming sector whose biggest problem is over-employment and inefficiency. So right at the start of their planning exercise, the Algerians were forced to the conclusion that they were faced with a choice between industrialization and continuing and worsening poverty. They chose industrialization.

That they were able to make this choice and hope to carry it through owes much to the possession of oil. It is oil which has financed Algeria's growth, and it is this fact which has reinforced the already strong nationalist and socialist strands in the thinking of the country's planners. For the massive oil revenues (over 40 per cent of budget receipts in 1973 and a considerably higher proportion this year) have made the state a potential provider of large amounts of capital in a country which has been starved of it. As a result, even if the country's leaders had adopted a very different ideology, they would have been forced to make the state the prime

vehicle of any effort to bring industry to the nation. In fact they have chosen a system which gives a monopoly of most of industry to the State, or 30 *sociétés nationales*, one for each industry. Apart from the oil company, Sonatrach, whose size and history set it apart, the most important of these is the Société Nationale de Sidérurgie, which runs the country's rapidly growing steel industry. Its most important plant is the El Hadjar steel works at Annaba, the nucleus of the country's effort to become a major producer.

El Hadjar was initially planned by the French in 1959 as part of the so-called Constantine Plan which was designed to secure Algerian loyalty by raising living standards. But the French plans, which involved a small plant of 200,000 tons, had made almost no progress by the time independence came, and the plant considerably expanded, ending up being built by the Russians for the new state.

El Hadjar has had all the problems which afflict large projects of this kind and many more, so that it has been consistently behind schedule. Now, however, it has reached a capacity of something like 500,000 tons of steel a year and, with the help of British consultants, it is planned to push up output to between 1,500,000 and two million tons by 1977. The iron ore comes by rail from the Ouzenz mines, just inside Algeria's frontier with Tunisia, and the concept of processing Algeria's own natural resources, rather than sending them abroad to be dealt with, has played a key role in shaping the country's investments in the seven years from 1966 when the first two plans were put into effect.

But for the future, SNS has far more ambitious plans. Somewhere on the coast in the west of the country, it hopes to build a giant 10-million ton works, the first stage of which would become operational in about 1982. Just what the country will do with all this steel is a potential problem. Consumption has been rising rapidly, increasing from 300,000 tons in 1969 to one million tons today. Even optimistic projections suggest that by 1980 Algerian consumption will barely have topped three million, and one school of thought argues that to go ahead with building a massive plant to produce steel risks severe over-capacity, especially in terms of world surpluses which occur frequently. Against this supporters of the project point out that most estimates made in the

past have grossly underestimated the Algerian ability to absorb supplies of basic materials. Plants which were expected to produce an embarrassing export surplus turn out to be barely sufficient to meet national needs, and in the case of cement there have been supply shortages which have played havoc with the country's construction programme.

Accepting this, however, it seems certain that if the west coast steelworks goes ahead, the country will have to become a significant steel exporter, with the most hopeful markets usually being considered as West Africa and possibly the countries of the communist block.

One of the main themes which has run through the first stage of the country's industrialization programme is the need to be able to produce the primary industrial products which the economy will use in its later stages of development, preferably using local raw materials. The materials, apart from steel, where this has been most noticeable have been fertilizers for farming, using the country's phosphate deposits, and cement for the construction industry. These two efforts have met with rather different success.

At Arzew, the phosphate fertilizer plant produces roughly 500,000 tons a year, which just covers the country's needs. That there is not a substantial surplus, as was predicted when the plant was set up, is due to the farming sector's unmet, and heavily demanded rather than to production problems. To meet this demand, the next plan calls for fertilizer production to increase five times during the present plan, with a new phosphate plant and four factories to increase production of ammonium nitrate. Although it is hoped that this increase will result in export capacity, there is no doubt that home demand will come first. Domestic use is expected to double and the Government has adopted a policy of holding down the price in an effort to make fertilizers more readily available to the farming community, which is being encouraged to step up its production as part of the agrarian revolution.



A worker in a shoe factory at Sidi-bel-Abbès.

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